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NEWS SUMMARY

GENERAL

Solidarity calls for one-hour stoppage

The leadership of Solidarity, Poland's independent trade union, voted for a one-hour national stoppage next Wednesday.

The strike will back demands for improved food supplies, an end to harassment of union activists and greater control over economic policy.

The union wants an independent economic and social council empowered to codetermine economic policy. Page 2

Egyptian 'plot'

The assassination of President Sadat was part of a plot to instal an extreme Islamic Government, Mr Husni Mubarak, his successor, said.

Italian protest

Italian trade unions organised a four-hour national stoppage and mounted mass demonstrations in major cities in protest at pay increase limits next year.

Prosser action

Three prison officers named in a voluntary bill of indictment will appear at Birmingham Crown Court on Monday charged with the murder of Barry Prosser.

Clergy defiant

The Presbyterian Church in South Africa called on its ministers to solemnise mixed marriages in defiance of apartheid.

Murder charge

Three British paratroopers were charged with manslaughter after the death of an Algerian immigrant worker in Pamiers, France.

Crash survivors

The wreck of a Colombian domestic aircraft reported missing on Wednesday was found more than 900 miles off its route. All nine on board survived the crash.

Guernica on show

Picasso's anti-war masterpiece Guernica goes on show in Spain for the first time tomorrow, to mark the centenary of the painter's birth.

New General

Commissioner Jarl Wahlstrom, 63, was elected general of the Salvation Army, to take over from General Arnold Brown in December.

Churches' loss

A gunman wearing a wig and false moustache stole SwFr 50,000 (£14,500) from the Geneva offices of the World Council of Churches.

'Triffid' culprit

Drifting weedkiller spray was the likely cause of a crop of monster strawberries and deformed peppers on a north Cornwall smallholding, environmental health experts said.

Clocks go back

British summer time ends at 2 am tomorrow and clocks go back an hour.

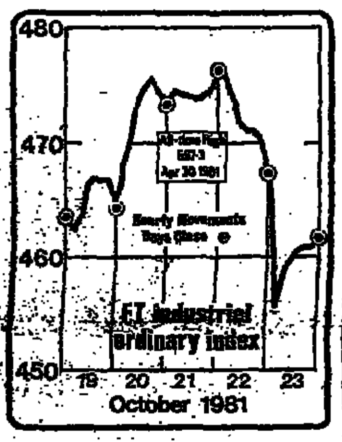
BUSINESS

Pound edges up; Equities off 5.4

● STERLING firmed slightly in London on higher UK interest rates. It added 55 points at \$1.82125, rose to FFr 10.39 (FFr 10.385) and eased to DM 4.1425 (DM 4.145). Its trade-weighted index was 87.9, one point up. Page 27

● DOLLAR eased to DM 2.274 (DM 2.281), SwFr 1.8895 (SwFr 1.901) and Y232.2 (Y233.65). Its Bank of England index was 109.3 (109.8). Page 27

● EQUITIES remained unsettled, but the FT 30-share



index, down 11.5 at 10 am, recovered steadily all day to close at 461.9, off 5.4. Page 28

● GILTS also recovered from a weak start, but the Government Securities index closed 0.05 lower at a new five-year low of 60.39. Page 28

● GOLD shed \$1.5 in London to \$430.5. In New York the Comex October close was \$431. Page 27

● WALL STREET was off 10.56 at 837.71 before the close. Page 24

● U.S. STEEL, the biggest American steelmaker, will next month file dumping charges against seven EEC steel producers. It said political solutions had failed twice in four years. Back Page

● U.S. INFLATION rose again last month, to an annual rate of 13.5 per cent since July, a serious blow to the Administration. Back Page

● WEST GERMANY'S trade account moved strongly into surplus last month with a current account deficit of DM 2.2bn after August's record DM 6.4bn deficit. Back Page

● ROLLS-ROYCE and three Japanese companies delayed for a year a joint £500m project to build a new aicraft engine, because of poor market prospects for it. Back Page

● FRENCH BANK employees' unions called for a 24-hour strike next Thursday over pay and working hours.

● SOVIET OIL production in the first nine months this year was on target at 12.13m barrels a day, up 1 per cent on last year.

● CLIVE DISCOUNT Holdings, discount house, made an overall loss in the half year to September 30 and is omitting the interim dividend. Page 22; Lex, Back Page

● TIME PRODUCTS, watchmaker and jeweller, saw pretax profits for the six months to July 31 sharply down at £265,000 (£1.37m). The interim dividend is maintained. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Jenks & Cattell	65	+	7
Mining Supplies	108	+	6
Petrocon	51	+	3
Royal Bank of Scotland	159	+	9
BP	296	+	4
Candecca	181	+	13
KCA Int.	135	+	8
LASMO	490	+	15
FALLS			
Clayton, Son	73	−	15
Clive Discount	26	−	4
Davy Corp.	156	−	7
GKN	140	−	6
Hanson Trust	261	−	11
Highland Elect.	22	−	2
Hoover A	86	−	6
Horizon Travel	215	−	8
Inchcape	258	−	12
Mothercare	132	−	6
Pilkington	255	−	7
Reckitt & Colman	248	−	10
Redland	144	−	8
Smith Inds.	287	−	13
Standard Telephones	385	−	13
Thorn EMI	393	−	20
Upton (E.) A	32	−	6
MIM Hldgs.	202	−	6
Pancontinental	126	−	10
Pres. Steyn	£18¼	−	1
RTZ	450	−	13
Vaal Reefs	£35½	−	2

Alliance sets sights on Crosby as recriminations begin

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

JUBILANT Social Democrats and Liberals yesterday set their sights on making the Conservative stronghold of Crosby their second by-election gain as the recriminations began in the Tory and Labour camps over how the Alliance had been able to win its first parliamentary election so convincingly in Croydon North-west.

Liberal and SDP leaders were claiming in the euphoria following the victory that their partnership was "an unstoppable force in British politics" and that they had demonstrated that the Alliance could break through the two-party system.

Conservative and Labour leaders insisted this was an exaggeration. But the result—a majority of 3,254 for the Alliance in a seat where the Liberals lost their deposit in 1979 — produced a much more open admission than before from the other parties of the threat the Alliance posed.

The result was a setback for the Government which, until this week, had survived without any by-election losses.

However, the party really to suffer was Labour, which was pushed into a humiliating third place. Under normal circumstances it would have expected to win easily a marginal Conservative seat like Croydon North-west at this stage of a government's life. The result was the party's worst setback since the general election.

It was clear yesterday that, in the short term, it could intensify the struggle between left and right for the direction of the party, with both sides claiming that only their policies could ensure that Labour won the next election.

Mr Michael Foot, the Labour leader, conceded that Labour ought to have won. Without actually naming Mr Tony enn, he made it clear that he believed he should shoulder a large measure of responsibility for the defeat.

"Overwhelmingly," said Mr Foot, "the cause of the defeat had been the distractions and dissentions within the Labour Party over the last year."

Mr Foot's best hope must be that the result will shock the party into some semblance of unity. Yesterday Labour MPs were shaken and depressed by the result

Mr Roy Hattersley, shadow Home Secretary, said it was essential that Labour demonstrated that it was "a moderate Socialist party."

Mr Eric Varley, "shadow" Employment Secretary and new party treasurer, said "Those senior members of the party who over the past two years cynically denounced the Labour Governments in which they served, have a lot to answer for.

The Crosby by-election, where Mrs Shirley Williams will carry the Alliance flag, would require an even bigger swing against the Conservatives than that in Croydon, but she must be the favourite to win.

If she did suceced in taking the seat which the Tories won in 1979 with a majority of 19,272, it would be a real blow to Conservative party morale, and could result in pressures for a change of policy which Mrs Thatcher would find difficult to resist.

Politics Today, Page 20

Code for investment managers is closer than officially declared

BY CHRISTINE MOIR

THE COUNCIL for the Securities Industry, the City's overall watchdog, is much closer to formulating a City code for investment managers than it has officially declared.

A special committee of the CSI has prepared a set of nine general principles which will form the basis of a "best practice" code for "any person who undertakes the business of managing investments for others."

The principles have developed out of a set of 46 precisely worded rules for operating discretionary investment management which the CSI formulated over the summer to submit to the Department of Trade.

The set of rules met considerable opposition from established investment management groups such as merchant banks on the grounds that they were too detailed and presented unnecessary constraints.

The CSI has now made it clear that the rules — now reduced to 40 plus appendices —are to apply only to investment managers who operate under Department of Trade licenses as Licensed Dealers in Securities.

This section of the investment community has recently been rocked by scandals and the DoT has announced that it intends to tighten the lax regulations by which it is controlled.

A fortnight ago the CSI submitted the rules to the DoT as its recommendation for the type of regulations which are needed for licensed dealers.

At the same time it decided to draft a set of general principles which would apply to investment managers generally.

These avoid the charges of over-regulation laid against the set of rules when these were thought to apply to all fund managers. However, they could still be controversial.

Among other points the principles lay down that discretionary managers shall:

● keep clients' investments and money separate;

● report to the client in detail every six months with a statement which includes an analysis of the management fees;

● subject the client's records of transactions to an annual independent professional examination and report any irregularities uncovered;

● Not invest client money in any unquoted subsidiary or affiliate of the manager.

● Declare whether clients' funds may be invested in unit trusts managed by the manager or his affiliates.

A number of leading managers within merchant banks have already come out strongly against disclosing management fees in detail on the grounds that it would reveal their profits.

Others are opposed to what they see as prohibitions against carrying on discretionary investment at the same time as operating investment vehicles such as venture capital organisations or in-house unit trusts.

The draft principles may not see the light as a formal code for some time. The CSI first wants to get the DoT's reaction to its detailed rules for Licensed Dealers, possibly by Christmas.

VW finance director resigns

BY KEVIN DONE IN FRANKFURT

VOLKSWAGEN, West Germany's biggest motor manufacturer, was yesterday faced with a management upheaval folowing the resignation of Herr Friedrich Thomée, the company's finance director.

He had held the post for 16 years and had acted as VW's chief executive since Herr Toni Schmuecker had a heart attack in June.

His resignation leaves a worrying vacuum at a time when the group is facing its most seriou- business problems since the early 1970s.

VW reported a loss in the second quarter of this year—its first since 1975. Last year its after-tax profits were more than halved to DM 321m (£77.49m). The group expects to do no better than break even in 1981.

Herr Thomée's resignation follows mounting criticism of his handling of VW's subsidiary, Triumph Adler. The acquisition, made in 1979, of the ailing office equipment and typewriter manufacturer has since cost VW about DM 1bn and has turned into a corporate nightmade.

Herr Thomée was one of the main architects of VW's diversification strategy and became chairman of the Triumph Adler supervisory board. He resigned this post only a month ago to ease his load as VW's acting chief executive and finance chief.

Herr Thomée departed at short notice nearly two weeks ago for a holiday and wrote from abroad to Herr Karl Gustaf Ratjen, chairman of the VW supervisory board, asking to terminate his contract four years before it was due to run out.

His decision also reflects a widespread conviction that he was no longer in the running to replace Herr Schmucker as VW's chief executive.

In the last two weeks Herr Schmucker has returned from convalesence to the VW headquarters in Wolfsburg to see whether he is fit enough to resume his duties.

The impression is growing, however, that his heart attack was so severe that he, too, will be forced to step down.

The VW supervisory board is expected to discuss the group's future leadership at its next meeting on November 13.

Pressure on short term rates continues

BY MAX WILKINSON

UPWARD PRESSURE on short-term interest rates continued yesterday, with three-month interbank rates increased by a quarter-point and a further rise in the average discount rate for the Treasury Bill tender.

The Treasury Bill tender rate went up to 15.85 per cent from 15.34 last week. Under the now-discontinued Minimum Lending Rate system, the new Bill rate would have indicated an MLR of 16½ with bank base rates in line.

However, the Bank of England continued to supply the money market with short-term funds at rates which held the one-week interbank rate down to an unchanged 15⅞ per cent.

As base rates are now geared to this rate, banks do not yet have to put up base rates from the present 15½ per cent.

However, a continued upward drift of the three-month rate next week could intensify pressure on the clearing banks to move base rates upwards.

Yesterday the three-month rate went up ¼ of a point to 16¾ per cent.

In spite of the Bank of the Bank of England's supply of short-term funds at relatively easy rates, a temporary shortage of money at the end of the day sent overnight rates soaring to 80 percent or more in some cases.

General pessimism in the gilt-edged market and the firming of interest rates pushed the Government Securities index down another 0.05 points to a five-year low of 60.39.

The equity market was also gloomy, with the FT index down 11 points in the morning. It closed at 461.9, 5.4 points down on the day, with little enthusiasm for buying.

Lex, Back Page

£ in New York

—	Oct. 22	Previous
Spot	\$1.8270-8290	\$1.8145-8165
1 month	0.07 dis-flat	0.02dis-05pm
3 month	0.05-0.15pm	0.10-0.20pm
12 months	1.90-1.00pm	1.25-1.45pm

Tanker drivers' strike threatened in three weeks

BY PHILIP BASSETT, LABOUR STAFF

PETROL supplies could face disruption following a decision yesterday by shop stewards representing Britain's 20,000 tanker drivers and other oil distribution workers to call a national strike over pay in three weeks.

The decision, approved by senior officials of the Transport and General Workers' Union, is expected to prompt the Government to dust off contingency plans for troops to move essential oil and petrol supplies.

Oil company managements were meeting hurriedly last night to consider implications of the decision. They had been thrown into some confusion by the shop stewards' warning that "unless a material improvement is forthcoming from the employers" in the present offer of 6.7 per cent drivers and other workers involved should strike from November 16.

Petrol supplies at garages would be affected within a few days of the start of a tanker drivers' strike, and stockpiling by motorists beforehand could hit supplies sooner.

Supplies of domestic and industrial heating oil and fuel oil for industry would also be affected.

TGWU made it clear that there could be no value in further meetings with the companies until an improvement was forthcoming. The only scheduled meeting, with BP next week, may not take place.

The union said any company meeting its three basic conditions for a settlement would be allowed to operate on the basis that they limit their deliveries to existing customers only and do not supply customers of companies still in dispute.

The union is demanding that the rates of pay in "a competitor company" be matched—a reference to Mobil which struck an 11 per cent pay deal with its drivers and ancillary workers in May. It is also demanding a reduction in the basic working week and that the companies negotiate directly with the unions on formalising a special allowance for drivers working in Northern Ireland.

The Mobil deal has complicated negotiations. It took the basic rate for a Grade 1 driver to £116.50 a week, though with a £16 productivity payment on top of this the drivers' effective basic is £132.50, with earnings in excess of £160.

It also involved a commitment to reduce the drivers' working week from 40 to 37½ hours by January 1983.

The claims submitted by the TGWU to the other companies reflected this. It is seeking increases of 20-25 per cent and a one hour shorter working week this year.

The Northern Ireland allowance centres on two present ex gratia payments from the companies to drivers working in the province. The union sees this as a recognition of the special dangers of delivering oil in Northern Ireland, and wants it to be formally negotiated rather than fixed by the companies annually.

The 6.7 per cent offer made by Shell, BP, Esso and Texaco would raise the basic drivers' rate from £105 to £112. Average earnings vary between companies, with Texaco drivers earning about £150 and those at Shell about £180.

BL CARS yesterday launched a campaign to persuade its 58,000 manual workers not to "destroy" factories by striking from November 2. Letters distributed in the 30 plants spelled out details of what the company said was its "final offer."

BL insists all possibilities of meeting workers' pay demands have been exhausted. Union leaders, however, remain optimistic more talks will be held and that an improved offer will be forthcoming. Page 4

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OVERSEAS NEWS

Move by French bank may spark other rate cuts

BY TERRY DODSWORTH IN PARIS

SOCIETE GENERALE, the French nationalised bank, cut its base rate yesterday from 14.5 to 14 per cent in a move which is expected to trigger off a general lowering of rates throughout the banking sector.

This is the first relaxation of base rates since the beginning of September, when the banks responded reluctantly to Government pressure to reduce the cost of funds to industry. Yesterday's decision followed similar pressure from M Jaques Delors, the Economics Minister, who has talked this week about a further cut in lending rates.

Societe Generale's move confirms the general conviction among banks that the recent franc devaluation package has brought a fair measure of stability to the currency. Some analysts believe that base rates could even be dropped by another percentage point over the next few weeks following the recent cuts in rates on the money markets.

The relaxation in pressure on the money markets, where the Bank of France has been maintaining high rates to prevent speculation against the franc, was underlined by a progressive trimming in the day-to-day rate this week to reduce it from 17 to 16 per cent.

In the past few months, the Central Bank has been using this particular rate, where it intervenes to provide overnight finance to the banks, as its main mechanism to influence the behaviour of the money markets.

Given the still substantial gap between the base and day-to-day rates, it is widely expected that the Bank of France will take further action over the short-term to reduce the cost of funds to the banks.

During September, when the banks were being put under considerable moral pressure to keep down their lending rates to industry, they were told that they would have to bear the cost of their much higher refinancing expenses from profits.

But as pressure on the franc declines, it is felt that the day-to-day rate could be brought down to around 14 per cent.

Renault dispute nearer settlement

HOPES ROSE yesterday for a settlement of the dispute at the stateowned Renault motor group, where 4,000 workers have been laid off for the past two weeks, David White writes from Paris. Talks began yesterday at the group's Billancourt works in Paris, where strikers have halted production of the Renault 4. The management has also proposed to start discussions next Tuesday for the whole of the group. The climate has improved as a result of the company's offer of an initial all-round pay increase of FFr 150 (£15) per month from November 1. The talks proposal, made at a works council meeting on Thursday night, came after a day of stoppages and protests in Renault factories through out France.

Spanish television chief sacked

By Robert Graham in Madrid

THE DIRECTOR of the Spanish State-run television network, Sr Fernando Castedo, has been forced to resign after 10 months in office. Sr Castedo was the Government's own choice for the job and his removal follows the poor performance of the ruling Union de Centro Democratico (UCD) in the first elections to the regional parliament of Galicia.

UCD obtained only 24 of the 71 seats and was eclipsed by a sharp swing of votes to the Right-wing Alianza Popular of Sr Manuel Fraga, which obtained 26 seats.

Sr Castedo has been under pressure for some time to resign by the UCD hierarchy who believe that he has permitted television to be infiltrated by socialists. His replacement is tipped to be Sr Carlos Robles Piquer, currently Secretary of State at the Foreign Ministry and Sr Fraga's brother-in-law.

Until new statutes were approved last year, television was a vital source of Government influence, often shamelessly used for partisan ends. The new statutes, under which Sr Castedo was appointed, established an all-party board of governors and a four-year term of office for the Director-General.

This term could only be terminated without board approval in the case of voluntary resignation, which is what happened formally yesterday. But Sr Castedo, in announcing his resignation, made it clear that he had been forced to do so after a lengthy meeting on Thursday with Sr Leopoldo Calvo Sotelo, the Prime Minister, and Sr Agustin Rodriguez Sahagun, the party leader.

Opposition politicians, furious over the development, said last night that the Government was turning its back on democracy. They said it was a naked attempt to retain control of this powerful medium in advance of General Elections in 1982.

Indeed, in acting so soon after the Galician election result, the Government has given the appearance of losing its nerve.

● The Basque country was yesterday the scene of violent demonstrations and a partially-observed general strike called by sympathisers of the militant Basque separatist organisation Eta, following Wednesday's killing by Guardia Civil of two Eta members.

Botha calls off meeting after leaks to press

BY BERNARD SIMON IN JOHANNESBURG

Mr Henry Oppenheim . . . warning

MR P. W. BOTHA, the South African Prime Minister, yesterday called off a meeting with a group of leading local businessmen after details of the talks, planned for Monday, were leaked to the press.

A high-powered business delegation had planned to urge Mr Botha to put promised changes in the country's race laws into effect. Local business has become increasingly vocal in its concern that present policies threaten South Africa's future stability.

Mr Botha said he had postponed the meeting due to pressure of work.

The initiative for the meeting is believed to have come from Mr Mike Rosholt, chairman of Barlow Rand, South Africa's largest industrial conglomerate.

Barlow Rand has close links with the Government and Mr Rosholt is a member of the Prime Minister's defence advisory council. Nonetheless, the company is regarded as one of the country's most progressive employers and among the most outspoken on socio-political issues.

It is feared that the publicity given to the meeting may result in it being cancelled or postponed by Mr Botha. He has dismissed reports of the meeting as "cheap propaganda."

Among other business leaders who were expected to attend Monday's discussions were Mr Kerneels Human, managing director of the Afrikaans-oriented industrial group Federal Volksbeleggings, and Mr Chris Saunders, head of the Tongaat Group, one of the biggest companies in Natal. Both these men, as well as Mr Rosholt, refused to comment on reports about the meeting.

According to newspaper reports the meeting's agenda included such sensitive issues as labour, black housing, education and influx control.

Mr Botha has invited several hundred private sector leaders to a conference in Cape Town on November 12 to discuss the business and economic environment in South Africa. Similar talks were held at the Carlton Hotel in Johannesburg two years ago.

Many business leaders feared that the talks on Monday would have been fruitless. Mr Botha had indicated that he was keen to concentrate on such peripheral subjects as decentralisation of industry and economic co-operation between countries in southern Africa.

Hopes of far-reaching racial reforms generated at and before the Carlton conference have steadily evaporated as Mr Botha's priorities have turned to maintaining unity among bickering factions of the ruling National Party.

Criticism from South Africa's normally apolitical business community has mounted steadily in recent months. Mr Harry Oppenheimer, chairman of the country's biggest corporation Anglo American, warned in London this week that changes in South Africa's political structures were not keeping pace with economic progress.

Israel renews call to end missiles crisis

BY DAVID LENNON IN TEL AVIV

ISRAEL has demanded that the U.S. resume its diplomatic efforts to persuade the Syrians to remove their anti-aircraft missiles from eastern Lebanon.

At the same time, General Rafael Eitan, Israel's chief of staff, warned yesterday that a military option still existed.

In the last few days Israel has strongly urged the U.S. to resume the diplomatic efforts to remove the missiles which triggered a major crisis in April when they were moved into the Bekka Valley, according to Israel Radio.

Mr Philip Habib, the U.S. special envoy who carried out the earlier negotiations, will return to the region in the middle of next month, the radio reported.

In the meantime, Gen. Eitan said: "There is a military solution to this problem, but I cannot ignore the fact that this could lead to a war with Syria."

In an interview with the afternoon paper Maariv, Gen Eitan said: "We have considered at great length the consequences of this action. This will be influenced by the international situation, the balance of forces, the involvement of the super powers in the Middle East and the death of President Sadat."

Gen Eitan said there had been an easing of the state of emergency in Syria which was declared when the missile crisis was at its peak. However, the missile deployment inside Lebanon had not been altered.

Gen Eitan said that while the Syrians had accepted the stationing of the missiles in Lebanon as part of a new status quo, Israel had certainly not.

Referring to the assassination of Egyptian President Anwar Sadat, the general said that it had removed the "central pillar" of the peace process. It was impossible to know what the consequences of this would be. The peace treaty may survive the death of Sadat, he said, "but maybe not. We must wait and see."

● Lord Carrington, British Foreign Secretary, will visit Saudi Arabia from November 3-5.

Lord Carrington wants to have talks on the eight-point plan by Saudi Arabia's Crown Prince Fahd for a comprehensive Middle East peace settlement.

Lord Carrington has described the proposal as "encouraging," although there are some that Britain cannot support. He has indicated that he is particularly encouraged by the proposal which recognises the existence of Israel.

First step to civilian rule in Turkey

By Metin Munir in Ankara

THE PROCESS for the restoration of civilian rule in Turkey started here yesterday with the convening of a consultative Assembly which will write a new Constitution and laws governing elections and political parties.

General Kenan Evren, the Head of State and Chief of Staff, promised in an opening address that the Assembly would be allowed to work in freedom.

Commenting on the new Constitution, he said: "I would like to state that there is neither a preliminary draft in existence, nor has there been, or will there be any attempt by any authority to make suggestions or exert any pressure on the consultative Assembly."

The Constituent Assembly is predominantly conservative. Its 160 members have been appointed by General Evren's ruling National Security Council. Most of them are retired civil servants, ex-officers and academics. Neither pre-coup political parties, which were dissolved a week ago, nor extreme Left or Right-wing trade unions are represented.

● A British Government loan of £15m to Turkey was yesterday ratified by the Government here.

Price cuts will boost Nigeria's oil output

BY MICHAEL HOLMAN

NIGERIA'S oil production could reach 1.5m barrels a day (b/d) —a 50 per cent increase on current output—as a result of the decision to reduce its price to \$34.50 per barrel, industry officials said last night.

This forecast, however, assumes a differential based on the current Saudi Arabian price of U.S.\$32. Much will depend on the reaction of other producers such as Algeria and the outcome of next weeks OPEC meeting at which it has been widely forecast that agreement will be reached on a unified price structure of U.S.\$34. The usual differential between Saudi and Nigerian prices is U.S.\$3.

The Nigerian budget is expected to be based on an oil production figure of 1.3m b/pd, which planners hope will be conservative. However, the Government's capital spending programme in line with the 1981-85 National Development Plan is based on production of nearly 2.2m b/pd. Thus spending will have to be cut or foreign borrowing increased in the coming year.

In an offer concluded last week, the State-owned Nigerian National Petroleum Corporation (NNPC) agreed to extend credit terms from 30 days to 120 days. Each 30 days period represents an effective discount of 50 cents per barrel.

In an effort to increase production and boost falling foreign reserves, the NNPC reduced its price from \$40 to \$36 at the end of August after Opec members meeting in Geneva failed to agree on a unified price system, and Saudi Arabia insisted that its price would remain \$32.

Nigerian production had fallen from 2m b/d in January to a 10-year low of 710,000 b/d in August. Foreign reserves dropped from Naira 6.4bn (£5.3bn) in May to Naira 4.8bn in August and subsequently fell to Naira 4.5bn in September. Imports were running at around Naira 1.2bn a month despite Government efforts to curb them. Oil accounted for 96 per cent of Nigeria's export earnings in 1980 and over 80 per cent of Government revenue.

If production does recover to 1.5m b/d, export earnings would be around Naira 900m a month, which would still require some controls on imports, expected in next month's budget.

Statfjord platform to cost an extra £70m

BY SUE CAMERON

THE COST of the 816,000 tonne Statfjord B platform—the heaviest in the North Sea—is expected to rise by 8.3 per cent from NKr 10bn (£928.9m) to NKr 10.835bn (£1bn).

Mobil Exploration Norway, operator on the Norwegian sector of the hugeStatfjord field, said last night that considerably more work needed to be done on the platform than had originally been expected. It warned that the start of production from the Statfjord B platform, which had been scheduled for the end of next year, might now be subject to a "slight delay."

The platform was towed into the North Sea in August. Mobil then carried out a study to see how much work was needed to complete the project. It found that an extra 2.5m man-hours of off-shore work were required for completion—against the 1.5m man hours previously estimated.

Mobil admitted last night that one reason for the extra work and the subsequent increase in costs was that the platform had been towed out "at a less than anticipated state of completion." Another reason for the substantial rise in estimated costs was that some changes had been required in order to meet higher safety and environmental standards.

Solidarity votes for national stoppage

BY CHRISTOPHER BOBINSKI IN GDANSK

THE LEADERS of Poland's Solidarity trade union have voted for a one-hour national stoppage next Wednesday to back demands for improved food supplies, an end to harassment of union activists and greater control over the Government's economic policies.

At the same time the Solidarity national commission has been told that "painful" price increases are necessary if total rationing or alternatively a radical monetary reform is to be avoided in the near future.

The notion of an independent "economic and social council" empowered to codetermine Government economic policy has emerged as a central Solidarity demand.

Should Solidarity's demands be rejected by the authorities then the union is considering an "active" strike in plants in the food industry, in the distribution network and in the extraction of raw materials.

One a strike was declared work would continue but Solidarity would take over management decisions.

The economic council would be composed of about 20 people enjoying the confidence of Solidarity, the Catholic church, the intellectual and creative associations—which have a significant measure of independence from official control—and the Polish Academy of Sciences.

By having a say over official economic policy, the council would provide a measure of credibility to the authorities which at the moment are paralysed by a lack of popular confidence.

Price rises would be easier to push through if the move were conducted by the Government in agreement with the council.

Foreign aid Bill passed by Senate

By David Buchan in Washington

THE U.S. SENATE has passed a \$5.8bn (£3.2bn) foreign aid bill for 1981-82 which would lift the current prohibitions on military aid and sales to Chile and Argentina and to pro-Western rebels fighting the Luanda Government in Angola.

The Senate action would thus free the Reagan Administration's hands to improve relations with Latin American military regimes which suffered under President Jimmy Carter. But the Senate did qualify its move by requiring that Mr Reagan first certify that Chile and Argentina have progressed enough on human rights to warrant U.S. military help.

The Senate has also voted to lift the Clark Amendment that barred U.S. aid to the Unita rebels, who with some South African backing, have been fighting the Left wing Angolan Government since the mid-1970s.

But its bill, designed to give Mr Reagan more foreign policy flexibility, specifically states that its action is not an endorsement of aid to the Unita guerrilla movement.

The 1981-82 foreign aid bill has only passed the committee stage in the House of Representatives, without any of these controversial riders attached.

Another contentious element in the Senate Bill, which may have to be negotiated with the House, is that cutting off all U.S. aid to non-nuclear countries which explode a nuclear device. Originally designed to encompass just India and Pakistan, this amendment now ambraces all "near-nuclear" states like Israel and South Africa.

Last hope for air controllers

By Our Washington Correspondent

THE STRIKING union of Professional Air Traffic Controllers Organisation was yesterday clinging for its survival as a legal bargaining agent to a temporary court order staying the decision on Thursday by the Federal Labour Relations Authority to "decertify" the union.

The Reagan Administration has already made clear it regards the union as dead and that it will not rehire any of more than 10,000 members who walked out of the country's air control towers

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Malaysia Budget aims to stimulate growth

BY WONG SULONG IN KUALA LUMPUR

THE MALAYSIAN Government yesterday introduced an expansionary Budget aimed at stimulating domestic growth in view of the sluggish world economy, and to strengthen defence.

Expenditure for next year is estimated at M\$32bn (£7.6bn), 38 per cent higher than 1981. Of this, defence and internal security will take up M\$6.8bn or 21.5 per cent.

The continued heavy spending on defence is the result of a change in the country's strategic policy of doubling its armed forces to 200,000 men by 1985 to meet any external threat.

Major items of defence spending next year include the building of the naval headquarters at Lumut, a new giant air base in Kelantan State, new U.S.-built jet fighters, and tanks.

Due to the prolonged world recession, growth is expected to slow to 6.9 per cent this year compared with 8.2 per cent last year. A growth of 7.2 per cent is projected for 1982 as the world economy improves.

Chilean copper earnings decline

By Mary Helen Spooner in Santiago

CHILEAN COPPER exports have declined in value by 22 per cent during this first eight months of this year, contributing to a record trade deficit roughly four and a half times the amount reported for the first six months of 1980.

According to figures released by the Central Bank, copper sales have fallen in the six month to August 1981 from \$1.4bn to \$1.1bn, though the volume of copper exports has remained relatively stable.

Thousands of Mexicans flee to U.S. as Salvadorean peasants seek asylum

Refugees provide Mexico with a growing problem

ABOUT 110,000 refugees have sought sanctuary in Mexico from the Right-wing military dictatorship in Guatemala and the Civil War in El Salvador. Most of them have taken refuge in Mexico's oil-rich state of Chiapas, where they live in constant fear of being discovered and returned to Guatemala by the Mexican authorities.

Mexico, which every year illegally "exports" hundreds of thousands of its poorest citizens to the U.S. in search of work, is now facing an invasion of its own. The Government is unwilling to heighten social tensions by opening its doors to more peasants, because millions of Mexicans live in dire poverty and are jobless, even though Mexico is the world's fourth largest oil producer. This is particularly true in Chiapas, which is vulnerable, having some of the social problems of turbulent Central America.

Chiapas, along with the smaller neighbouring state of Tabasco, produces about half of Mexico's 2.5m barrels a day of

oil. The state is also rich in coffee, pine forests, minerals and hydraulic electricity. But Chiapas, with its population of 2.2m, is also the state with the greatest poverty in Mexico.

In Chiapas, 29 per cent of the population over the age of 15 is illiterate, according to a 1980 census. The national average is 15 per cent. Only 36 per cent of homes, many of them thatched huts, have electricity and 45 per cent running water.

In spite of these problems, Mexico has a long tradition of offering asylum to the politically persecuted. Further, Mexico sympathises with the cause of rebels in Central America and in El Salvador openly supports the Left against the U.S.-backed junta.

But the Mexican Government complains bitterly when its own citizens are mistreated in the U.S. after illegally crossing the frontier. The poverty stricken families fleeing Central America are being deported on a large scale, in spite of protests from the UN High Commissioner for Refugees (UNHCR) that they qualify for political refugee status.

The UNHCR wants Mexico to set up refugee camps and is prepared to help, but since Mexico refuses to recognise the refugee problem it cannot do anything. Mexico is strictly following its law which recognises the right to political asylum, but not political refugee status. As a result, Mexico receives the persecuted on an individual basis but not on a massive scale as implied by the term refugee.

The arrival of peasants from Central America in large numbers has presented Mexico with a new phenomenon for which its laws do not cater. Changes in the law, however, are being studied to take this into account. Mexico fears that refugee camps near the border could become bases for the guerrilla opponents of the Guatemalan regime and create unrest in Chiapas.

The Interior Ministry says that the cases of the fleeing families will be examined to see if they qualify for refugee status.

It is difficult to gauge the exact size of the problem because the border with Guatemala is 600 miles long and much of it is dense jungle where families can live undiscovered.

However, a rough idea of the size of the problem can be gauged from reports that Mexico has deported four times as many people from its southern border this year as it did last year. The army's strength in Chiapas has been greatly boosted, partly to protect vital oil fields there and partly to hunt refugees.

Constitutional plan for Bolivia

LA PAZ—Bolivia yesterday embarked on a three-year political, economic and social plan designed by President Celso Torrelio's Government to lead the turbulent country back to democratic rule.

Its main objectives are to overcome the current economic crisis and to iron out the constitutional faults which came to light in the three Presidential elections between 1978-80.

The plan does not, however, entail any lifting of restrictive measures which have been in force since July 1980 when former President Luis Garcia Meza overthrew the constitutional President, Sra Lidia Gueiler.

The measures include a curfew and government control of radio broadcasts.

The plan allows for consultations with representative sectors of society in the elaboration of the state constitution, the political party laws and electoral law changes which will then go before a constitutional assembly for approval.

Although no dates for the completion of this stage have been set, politicians believe it is scheduled to be carried out before the end of the three-year term of office President Torrelio has set himself.

Gen Torrelio said in a radio and television broadcast last night the plan would clean up the country's economy.

Apart from adopting a realistic exchange policy based on market forces, he said the plan would also eliminate artificial prices and subsidies and wipe out benefits and privileges for state officials.

UK NEWS

Brittan tries to quell revolt over spending

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

MR LEON BRITTAN, chief secretary to the Treasury, yesterday tried to take the heat out of the threatened opposition to the Treasury's plans from the Conservative backbenches.

He acknowledged the wets' argument that present circumstances justify some increase in both spending and borrowing and he stressed that the *Treasury itself was* proposing an increase in the planned level of spending for next year.

Mr Brittan also rebuked some of his cabinet colleagues for coming forward with "unrealistic" plans for spending next year.

Treasury ministers were furious this week that Tuesday's Cabinet meeting on public spending was presented as an attempt by the Treasury to force spending ministers into making massive cuts in politically-sensitive programmes, like health and education, in an attempt to claw back most of the £7bn excess for 1982-83 indicated by latest estimates.

The clear message to Tories pressing for reflation was that the Treasury's revised plans contain an element of higher spending for 1982-83.

It is trying to find ways of permitting the "extra borrowing and spending which present circumstances justify," while preventing still higher and "totally unacceptable levels" being reached, he said.

Mr Brittan, who is in charge of public spending, acknowledged that the Treasury was faced with the "continuing consequences of recession on other public expenditure, for example in the nationalised industries."

Over and above this, he said, the Treasury had received further bids for higher public spending from other departments. Some of these, he implied, stood no chance of being successful.

If all the proposed extra expenditure went ahead, he warned, it would have "the most serious implications for taxation, for interest rates or for inflation — or for all three." Any proposed increase in the total level of spending must not threaten the fundamental objectives of the Government's economy strategy, he added.

"To let spending soar is to indulge in the unacceptable fantasy that higher interest rates or higher taxes can be endured with impunity," he said.

● Fourteen Conservative MPs, loyal to Mrs Thatcher, yesterday tabled an amendment to the Opposition's no confidence motion expressing their "full confidence" in the Government's economic policies.

National industrial strategy advocated

BY GARETH GRIFFITHS

THE *GOVERNMENT* needs to formulate a national industrial strategy for declining industries *like steel and to expand* industries such as telecommunications, the European Commission's *Economic and Social* Committee suggests in a report on the British economy.

The committee, which has examined the British economy in conjunction with the European Commission's general economic report, draws a fairly gloomy diagnosis of the UK's weak economic performance.

British manufacturers operate in a social and intellectual climate which does not favour them, it says.

Changes in government policy in the UK are more pronounced and more frequent *than elsewhere in the Common* Market and industry needs continuity to plan ahead.

The *report advocates* a *mixture* of financial and industrial measures to help manufacturing industry, although it refrains from commenting on the Government's present policy. Successive governments have failed to recognise time lags in businesses, it says.

Mr Maurice Zinkin, the committee's raporteur, said yesterday in *London* — where the committee has been receiving evidence from trade unions, industry and agricultural organisations — that the real cure to British industry could *only be found in industry itself* and by changing the thrust of education and training policy.

There are signs which suggested a possible recovery, he said. Engineering companies had introduced modular training programmes in 10 years in spite of the apprenticeship cuts, and companies had changed practices which they should have done years ago.

The committee argues in a litany of familiar comments on *the underlying* cause of British lack of competitiveness, that the adverserial nature of British *politics makes it difficult for* any continued economic policy.

The adverserial system also *led* to a *simplification of economic* choices and a fashion for economic cure-all, whether it be monetary restraint through the medium-term strategy or a prices and incomes policy.

The economic and social committee produces an annual report on the economy of the EEC member state holding the presidency.

Bid likely next week for Belfast ferry

Financial Times Reporter

CAPTAIN Jan Johansen of the Liverpool-based Mancon Shipping maritime consultancy said in Northern Ireland yesterday that he would make a bid next week for P & O Ferries' loss-making Liverpool-Belfast service, which P & O intends to close on November 11.

He said he had not decided yet on a figure for his bid but it would be in two parts: "I plan to make one bid for the route and another for the two boats currently operating on the service."

P & O confirmed yesterday that he had been in touch with the company and that it was understood a bid would be made next week.

Captain Johansen, who said he hoped to introduce new ships on the service "in a matter of months," is understood to have had talks with the Northern Ireland Environment Department. Mr James Prior, Northern *Ireland Secretary*, this week ruled out any idea of subsidies.

Plea over 400 jobs

OFFICIALS of the National Union of Footwear, Leather and Allied Trades have opened *talks with management* of the British Shoe Corporation over plans to make *400* workers redundant at Northampton, Grantham, Londonderry and Kilmarnock because of the drop in orders for men's and children's shoes.

Power station to close

THE Central Electricity Generating Board is to close the coal-fired Keadby power station near Scunthorpe, Humberside, by 1985 with the loss of 300 jobs because of the commissioning of three new nuclear stations.

Over-charging fine

BOOKSELLERS W. H. Smith Limited was fined £450 yesterday after admitting nine charges under the Trades Descriptions Act of allowing goods to be sold at a higher price than advertised at a shop in Sparkbrook, Birmingham. The manager was fined £180.

Prize for journalist

THE C. T. Hoepner memorial trophy awarded annually by BMW to the motoring journalist considered by an independent panel to have contributed most to understanding within the European motor industry has this year been won by Mr Kenneth Gooding, motor industry correspondent of the Financial Times.

Hoverspeed set for maiden crossings

BY ALAN PIKE

HOVERSPEED — the company being formed by merging British Rail's hovercraft operations with the Swedish-owned Hoverlloyd—will begin services tomorrow.

Mr David Howell, Transport Secretary, told the Commons yesterday that he had given consent under the 1962 Transport Act for British Rail to acquire shares and securities in the company.

He stressed that, while jointly owned by British Rail and Brostroms Rederi AB, Hoverspeed would be controlled and managed by an independent board of directors.

"It is not the Railway Board's intention to exercise direct control or provide further assistance, and on this basis the new company will be outside the public sector."

British Rail's Seaspeed hovercraft operation has not made a profit for several years, and Hoverlloyd moved into loss last year. After unsuccessful bids to sell Hoverlloyd, Brostroms Rederi *announced it would close* unless there was a merger.

Both organisations' hovercraft *services have been hit* by rising fuel costs and heavy competition on Channel ferry services.

In June the path to a merger with Seaspeed was cleared when the Monopolies and Mergers Commission decided that both Hovercraft operations would otherwise eventually close.

The commission concluded a merger offered the best chance of maintaining competition from hovercraft on the short-sea Channel ferry routes.

Seaspeed and Hoverlloyd last year accounted for 19.5 per cent of total ferry traffic between Britain and France and Belgium, compared with 25.2 per cent in 1980.

In 1980 British Rail Hovercraft made an operating loss of £2.8m on a turnover of £13.1m. Its assets then stood at £15.1m, compared with Hoverlloyd's £14.5m.

British Rail said yesterday neither it nor Brostroms intended to use their rights as shareholders to intervene in Hoverspeed's day-to-day commercial decisions. It was not the intention of either shareholder to be in a position to exercise *direct control* of the company in the future it added.

The merger will mean the *loss of 300 jobs*—30 per cent of the total in Seaspeed and Hoverlloyd.

Bowyer's excavators sold to management team

BY JAMES McDONALD

ANOTHER STAGE in the *disposal* by receivers of Richards & Wallington has been reached by Mr Philip Baldwin.

The company is the *largest* crane-hire group in the UK. It collapsed in July. Mr Baldwin is a Price Waterhouse partner, and receiver and manager of Bowyer Plant Hire & Transport, a Richards & Wallington subsidiary.

Mr Baldwin sold a substantial part of Bowyer Plant Hire & Transport's fleet of hydraulic excavators to members of the Bowyer management. They are backed by the Industrial and Commercial Finance Corporation, Concord Leasing and the National Westminster Bank.

The excavators are believed to be the largest in the UK and have up to four cubic yards bucket-capacity.

Bowyer Plant Hire and Transport is the fourth Richards and Wallington subsidiary bought by its management since the receivers were called in on July 1 after the group's bankers withdrew support, Mr Baldwin said the Bowyer sale was a peripheral disposal.

Engineering continued to revive in July

BY ELAINE WILLIAMS

THE ENGINEERING industry's slow revival continued in July, according to figures published yesterday in British Business, the official magazine of the Trade Department.

Total orders-on-hand improved by 9 per cent in July compared *with the previous* month. They were however two points below the 1980 level for *the corresponding month*.

The Department says home sales remained less robust than *export sales from the start of* the year. Home order-books expanded by 3 per cent in the *three-month period to* July, compared with the previous quarter.

The *trend of export sales* improved by 4 per cent in the same three-month period, with a similar rise in new orders.

● The slowly rising trend of total new orders in the machine-tools industry continued into July, according to the Trade Department.

Conservation Bill funds are limited, farmers told

SIR RALPH VERNEY, chairman of the Nature Conservancy Council, yesterday appealed to landowners and farmers in national parks and sites of special scientific interest not to abuse the provisions of the new Wildlife and Countryside Bill.

The legislation will provide *for compensation for farmers* unable to carry out agricultural improvements that would *damage the conservation or* scientific value of their land.

Sir Ralph told Cumbria Countryside Conference, in Grasmere, Lake District, that the the landowner would be entitled to compensation for the difference between existing farming income and the income that would ensue through improvements he proposed.

There was no goldmine for an open-ended committment to this type of compensation, however, and if the system was abused by *mavericks proposing schemes* they did not intend to carry out, it would break down.

If that happened there would be planning control instead. It was in the landowning and *farming community's interest* that the system be made to work.

Interest rates 'stifling microelectronic industry'

BY JOHN HUNT

THE BRITISH microelectronics industry is stifled by high interest rate, Mr John Garrett, a Labour Party spokesman on industry, said in the Commons yesterday.

But this was denied by Mr *John* Wakeham, *the new* Under-Secretary for Industry. He said the Government was trying to *act as a "catalyst" to* get more private industry to invest in microelectronics.

He said the *Government* had taken the initiative to deal with the effect of high interest rates on the industry. He pointed *out* that in the U.S. and Japan private industry, not the Government, provided the most investment.

The exchanges came as the House debated EEC proposals for a community strategy on information technology.

Mr Garrett said Britain would become an "offshore island" of U.S. technology unless the Government produced a long-term strategy for microelectronics. "Schemes of *assistance* are of no great value when new businesses face interest rates at *their present levels.*"

Separate department urged for science

By David Fishlock

PROFESSOR S. J. PIRT, one of Britain's leading bio*technologists, yesterday* accused the country of not being committed to the *technology*, despites its importance.

"We hear only words without real commitment by government or industry or the university authorities." Prof Pirt, of Queen Elizabeth College, London, told a meeting of the British Co-ordinating Committee for Biotechnology.

He said that the "lack of responsibility" for biotechnology shown by the University Grants Committee, and the "lack of commitment" by government departments, pointed to a need for a separate government department responsible for science and technology.

Biotechnology was important to Britain because it would provide new sources of food, energy, chemical feedstocks, minerals, health-care products and ways of reusing wastes.

Britain, which is obliged to import half its food, was "clearly vulnerable" to the growing world deficiency in foodstuffs.

Prof Pirt believed that the most promising way of harnessing biotechnology was the concept of the photo bioreactor.

Insight on nuclear weapons opposition

BY DAVID FISHLOCK, SCIENCE EDITOR

A SENSE of helplessness could be holding people back from doing more to oppose nuclear weapons, Dr Nicholas Humphrey *suggested in the* Bronowski Memorial Lecture on BBC-2 last night.

People reasoned that if they were going to alarm people, they must do so to some purpose, said Dr Humphrey, a psychologist with the Department of Animal Behaviour at Cambridge University.

People argued that "we had better offer a solution to the problem, and *what is more* we had better show by our example that we ourselves are actively pursuing it," he said.

If people had no solution, or if they were not prepared to dedicate their lives to finding one, "then it is not only other people but our consciences which will tell us to shut up."

By helplessness, Dr Humphrey said he meant the "dreadful feeling many of us know that there is in fact nothing we can do, that we are indeed midgets dwarfed by mighty *forces* over *which individual* human beings have no control."

But Dr Humphrey said he could discover no objective reasons for this helplessness.

Pym warns West on defence propaganda war

BY JOHN HUNT

THE POLITICAL leaders of the West are in danger of losing popular support for their defence *policies, particularly* in the nuclear field, Mr Francis Pym, Leader of the House of Commons, warned yesterday.

Mr Pym was Defence Secretary until he was shifted to his present post after putting up a fierce rearguard action against the defence cuts put forward by Mrs Margaret Thatcher, the Prime Minister, and the Treasury.

The frightening power of modern weapons and the activities of vocal minority groups in the West worked to the advant*age of the Soviet Union* in the propaganda war, he said at the Atlantic Institute's anniversary *conference in Brussels*. This made it increasingly difficult for Western politicians to gain support *for nuclear weapon* deployment and for defence generally.

The West was entering the years of greatest danger. The overall balance was on the side of the West but it had turned militarily.

"There is a totally convincing intellectual and moral justification for our defence posture. But we are not explaining it enough." Mr Pym said.

'Buy British' campaign develops momentum

John Elliott reports on industries making 'positive use of purchasing power'

EARLY LAST year the National Coal Board's purchasing officers began to receive requests from the coalfields for a new sort of *heavy duty chain to be bought* from a European manufacturer.

The NCB refused and instead gave its *traditional UK* suppliers the chance to produce a similar product. Six months later one UK manufacturer met the design specifications at a competitive price and won the order.

About the same time Debenhams, the stores group, became concerned about the sharp decline in the proportion of goods it was buying from British suppliers. Its chairman, Mr Robert Thornton, started a campaign to reverse the trend and introduced various rules for the buyers in his stores.

One was that certain more exotic countries should be visited only rarely, if ever, and that buyers should concentrate more on the provincial cities of the UK than those abroad.

The National Coal Board and Debenhams are now at the forefront of a campaign to persuade UK companies to use their massive purchasing power to improve the competitiveness of Britain's manufacturing industry.

The campaign has been launched by Sir Derek Ezra, chairman of the NCB and Mr Gordon Brunton who has started increasing the UK printing activities of Thomson British Holdings, of which he is chief executive.

Mr Brunton is also involved as chairman of a National Economic Development Council *"Little Neddy" for the* construction industries.

"The positive use of purchasing power has not yet been used to the full," says Sir Derek. "It should be used not just to 'Buy *British' because it is* British but because it is competitive. The purchaser has the chance to *stimulate industrial* efficiency and competitiveness, especially when operating on a *large scale.*"

"This changes the normal buyer-seller relationship because *the purchaser* takes the initiative. He searches out and stimulates domestic suppliers *to meet his needs*, rather than turning immediately to an overseas supplier when the required product cannot be bought off the shelf in the UK," says Mr. Brunton.

In *the* coal fields' for example, the NCB's local pit managers had to wait a little *longer* than they wished for the new sort of chain. But eventually they bought British. The *international competitive*ness of a UK manufacturer had been improved, and there was a chance that export orders would be won with the new product. A foreign competitor had been held at bay.

At Debenhams the amount of British goods put on display in *the company's stores* has considerably increased since it launched its campaign last year *(accompanied by* customer-oriented "Buy British" publicity).

In one part of its business, there has been a 35 per cent increase in the amount of *money* it expects to spend this year in the UK — from £80m to £110m. In spite of the publicity aimed at its customers, the main thrust of its work has been aimed at changing the *attitudes* of its buyers and the efficiency of its suppliers.

Those involved in the general campaign — which Sir Derek and Mr Brunton call "positive purchasing" — stress that they are not advocating a "Buy British at all costs" approach.

There are two reasons for this. One is that such a policy would breach international trading rules — not least those of the European Commission which is examining similarly inspired policies in France and Ireland.

But Mr Brunton also adds: "We do not want to featherbed *British suppliers by buying* whatever they have to offer as part of some sort of inefficient patriotic duty. That would be bad for British industry. We want large companies to take a positive stance and encourage British industry to win orders by becoming more competitive."

Mr Brunton and Sir Derek started their campaign by trying to interest the chairmen of the country's 70 biggest companies to a series of lunches during the past year.

These lunches were also attended by Government Ministers including Sir Keith Joseph who, as Industry Secretary, was launching a new purchasing policy in the public sector.

This policy is aimed at improving the design and quality of British goods so that they win export orders abroad as well as being bought by Government departments and other state agencies.

Sir Derek estimates that the companies represented by these chairmen have a combined purchasing power of £25m a year, plus £25m in the public sector —a total of £50m-worth of purchases which could be "deployed to give a considerable boost to British industries."

The Confederation of British *Industry has helped* the cause by calling in its latest overall policy document, The Agenda for Recovery, for "positive *discrimination* by British business in favour of British business — a touch of French and *Japanese guilt at buying* imports—a commitment by businesses to help British suppliers *develop competitive products.*"

Sir Raymond Pennock, CBI president, has recently written to trade associations asking companies to "Think British." Businessmen, he said, should "act with enlightened self-interest and buy British wherever price and quality will allow."

Based on experience in the NCB (which buys 97 per cent of its purchases from British suppliers) Sir Derek has suggested five elements for a company purchasing policy:

● Not to accept "no" for an *answer from a UK supplier* who says he cannot meet an order;

● Involve suppliers in research and development programmes;

● Ask suppliers for ideas;

● Set specifications so they help rather than hinder export potential;

● And provide positive help for suppliers in export markets.

Few companies have yet reported back to Sir Derek and Mr Brunton that, like Debenhams, they have set new policies in train. But with the help of the Department of Industry they may be asked soon to account for what they have done.

BL Cars reasons with workers

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS yesterday launched a campaign to persuade the 58,000 manual workers not to "destroy" factories by striking from November 2. Letters distributed in the 30 plants spelled out details of what the company said was its final offer.

"In the past, employees have chosen a different course from that recommended by shop stewards. We are putting the facts forward to give employees the chance to reconsider," the company said.

BL insists all possibilities of meeting workers' pay demands have been exhausted. Union leaders remain optimistic, however, that more talks will be held and an improved offer will be forthcoming.

Mr Ken Cure, executive member of the Amalgamated Union of Engineering Workers responsible for BL, said last night: "The company has underestimated the will and feelings of its employees. They are quietly determined the company can and shall improve its offer."

He thought the management efforts to persuade workers not to join the planned action could be counter-productive. "They have threatened so many times that the warnings have now lost their message and their impact."

The BL letter says that in addition to a 3.8 per cent increase in basic rates, workers would be guaranteed £3.75 a week bonus.

That would increase the pay of a production worker from £94 a week to £101.35, and the skilled man from £104.60 to £112.35.

Pay at plants such as Longbridge, currently receiving a £20-a-week bonus, would place employees at the top of the UK car industry earnings league, the company says.

In five hours of negotiation on Thursday the trade unions unanimously rejected the offer. They insist any such bonus guarantee should be consolidated into basic pay.

Any deal at BL will be crucial to Government hopes of restricting wage increases. The miners have agreed to a three-week adjournment of their pay talks, to await developments at BL.

Engineering industry employers have presented to their 2m employees an offer similar to BLs.

Lorne Barling writes: Mr Patrick Jenkin, Industry Secretary, said yesterday that if BL management did not come forward for its next instalment of government funds, then in view of industrial disruption the money would not be pushed into their hands.

Speaking in Redditch, Mr Jenkin said: "The company would have decided that there was no future for part or all of its operations and I would back the decision of the board."

The Government had made clear, by the £990m promise to BL for this year and next, that it supported its revival plans and wanted them to succeed. It had not sought to interfere, however, and would not do so.

On the broader question of aid for industry Mr Jenkin said aspects of the present tax system were not conducive to venture-capital being provided for industry, particularly in electronics.

This was now being examined in the hope of encouraging the establishment of more high-risk investment trusts, of the kind used in the U.S. to encourage high-technology industry.

"We could now be seeing the start of a venture-capital boom in Britain which has been so important for recent developments in the U.S.," he said.

He added that other problems facing industry, such as the National Health Service surcharge, were being considered urgently by the Government.

Tea ritual causes a hiccup at De Lorean

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE DE LOREAN Motor Company suffered its first recorded strike yesterday—over that most British of issues, the tea break.

The Belfast-based company responded to a strike threat by members of the Transport and General Workers Union in its body shop in a more contemporary British fashion—it suspended all 250 workers.

TGWU officials in Belfast stepped into the dispute quickly, summoning shop stewards from the sports car plant to union offices yesterday afternoon for talks. Afterwards, Mr John Freeman, TGWU regional secretary, inevitably described the dispute as "a storm in a teacup" and said that the stewards had agreed to recommend a return to normal working on Monday.

The dispute, which arose on the Thursday night shift, appears to have centred round the loss of water supply, a necessary raw material for tea making.

Night shift workers in the body shop returned disappointed from the canteen, expressed their disgust strongly and objected to supervisors attempting to take over their work.

The day shift stewards then gave notice that they intended to mount a token stoppage. The company responded by sending the shift home.

The bodyshop production was critical to the functioning of the rest of the plant. Because it takes a relatively long time to make the glass fibre car bodies, buffer stocks are generally low.

The company has so far enjoyed good industrial relations and workers recently expressed their support for the company's founder, Mr John De Lorean, when he faced allegations—dismissed last week—of financial irregularities in his conduct of the business.

However, the breaking point was clearly reached over the issue of the night tea breaks. Mr Freeman set the seal on the dispute again in traditional fashion, when he declared that "common sense has prevailed." The company played its proper part in the time-honoured proceedings by refusing to comment.

Sproat rules out fleet protectionism

By Andrew Fisher, Shipping Correspondent

THE GOVERNMENT yesterday came out against protectionism for the declining UK fleet and argued that phasing-out flags of convenience could put large numbers of British vessels and seafarers at risk.

Industry, trade union and Government representatives discussed the fall in the size of the British fleet and the rise in seafarers' unemployment at a meeting in Windsor.

Mr Iain Sproat, Parliamentary Under Secretary of State for Trade and responsible for shipping, said the question of UK fleet competitiveness against other nations was one for the industry and unions.

Since about two-thirds of UK shipping earnings come from cross-trading between other countries, protective measures of the British fleet would be out of line with the advocation of free markets elsewhere, he said.

The General Council of British Shipping was told its request for more generous tax treatment of depreciation was a matter for the Treasury.

Union's claim endangers new Times supplement

BY OUR LABOUR CORRESPONDENT

THE FIRST issue of a new Times supplement, The Times Health Service Supplement—due out next Wednesday, is threatened by a claim by distribution workers for an extra £10 for handling the paper.

Mr Gerald Long, Times Newspapers managing director, said last night that the union, the Society of Graphical and Allied Trades, had refused to compromise on its claim. The company has offered £2.50 extra.

Mr Long said: "I'm afraid this is another example of people looking on plans for change and expansion as simply a means of getting more money."

He said that talks would continue next week in an attempt to obtain a settlement, possibly involving regional or national officials.

In The Times and the Sunday Times, talks are continuing with the clerical workers in an attempt to reorganise their functions to produce more efficient working. Mr Long said that once the reorgnisation had been agreed, the manpower implications would be assessed.

He said that the agreement by unions in the machine-room to come to management with proposals for a joint press room agreement—as specified by a TUC arbitration—had not yet been honoured.

Videotape editors' strike

THE CONTINUING strike by videotape editors at the BBC will begin to make its mark on programmes this weekend.

A new series of the "Sunday Gang" on BBC2 will be replaced with a rerun of an old series, while a schools promenade concert early Monday evening—also on BBC2—will be replaced with an extended coverage of a snooker match.

A play, "If Winter Comes" on BBC2 on Sunday evening is possibly under threat. The corporation said last night that more and more programmes would be threatened if the strike continued.

Union attacks 'threat' to food industry training

Financial Times Reporter

THE POSSIBILITY of the Government abandoning statutory training provisions in the food and drink industry was criticised yesterday by the General and Municipal Workers' Union as "a major step backwards."

In the union's annual survey of wages and conditions in the industry, Mr Bobby Smith, the GMWU's national officer for the industry, says the Government's review of industrial training is a "serious threat."

Scrapping

The GMWU, which along with all other TUC unions is opposing the scrapping of statutory training arrangement, says that "a return to voluntary training arrangements would mean less training and less trade union influence."

Mr Smith writes of two threats to jobs in the industry: one from companies whose foreign investment policy allows them to source British markets from abroad, and the other from the employment impact of new technology.

Trendex plea for court hearing rejected

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE Trendtex Trading Corporation lost its final attempt to have its dispute with Credit Suisse heard in the English courts. The dispute arises from the Nigerian cement problems of 1975.

The Law Lords upheld a stay of the English proceedings, granted to Credit Suisse by the Commercial Court and affirmed by the Appeal Court.

The Law Lords held that the parties were bound by a clause in the 1978 agreement. This stated any disputes should be dealt with in Swiss courts.

Lord Wilberforce said Credit Suisse, to which Trendtex owed $1.5m (£821,000), had guaranteed Trendtex's costs in the latter's $14m (£7.7m) claim in the UK against the Central Bank of Nigeria arising from its cement trading.

In 1976 Trendtex assigned the claim to Credit Suisse and in January 1978 agreed Credit Suisse could sell the claim.

Credit Suisse sold it to an unnamed third party, said to be a subsidiary of a Swiss trading corporation unconnected with Credit Suisse.

The claim was then settled for $8m, the third party making a profit of $6.9m and Trendtex receiving nothing.

The Law Lords accepted Trendtex's contention that the sale of the claim by Credit Suisse had been champertous, a form of trafficking in litigation frowned on by English law as being contrary to public policy.

The Law Lords said, however, that this could not affect the provision in the 1978 agreement that all disputes were to be heard in Switzerland.

It would be for the Swiss courts to decide whether the character of the sale by Credit Suisse made the whole of the agreement void.

Trendtex's claim in the action includes allegations that it was induced to enter the 1978 agreement by undue influence and economic duress.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 593 COMPANIES

The regular Financial Times table of company profits appears below. It is compiled from reports published up to the end of September, 1981, by 593 companies whose account year ended in the period between October 15, 1980, and January 14, 1981. The figures are in £000 and the corresponding figures for the previous year are given in brackets.

This table updates the one which appeared on July 18. An additional 134 companies are included, but without altering the picture in any significant respect.

Earnings of the 451 industrial companies were 27.8 per cent below their previous level. In the financial group, however, strong advances by the merchant banks in a very active City year offset from the insurances and hire purchase companies, and the group crept ahead of 1979-80 by a marginal 1.6 per cent.

Within the industrial group, earnings were more severely eroded than profits at the pre-tax level, which fell by some 17.7 per cent. Unrelieved Advance Corporation Tax presumably accounts for much of the difference, as dividends fell far less drastically than profits. Some sectors which registered higher profits—such as the nine engineering contractors—also enjoyed lower effective tax rates.

INDUSTRY	No. of Cos.	Trading Profits (1)	% chnge	Profits before Int. & Tax (2)	Pre-tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	44	550,230 (505,828)	+8.8	401,355 (358,779)	319,960 (303,547)	93,709 (85,563)	214,683 (206,689)	+4.0	67,585 (58,135)	+16.3	283,670 (282,984)	2,395,169 (2,364,820)	15.8 (15.2)	519,006 (561,901)
CONTRACTING, CONSTRUCTION	35	428,121 (405,018)	+5.7	292,463 (292,068)	213,388 (233,779)	53,608 (69,634)	149,914 (154,100)	—2.7	37,213 (34,583)	+7.6	234,951 (219,832)	1,953,099 (1,804,464)	15.0 (16.2)	593,916 (616,290)
ELECTRICALS	12	227,115 (193,507)	+17.4	175,415 (149,713)	140,027 (119,006)	48,583 (26,709)	81,164 (81,964)	—1.0	28,355 (25,266)	+12.2	99,943 (97,152)	704,155 (698,931)	24.9 (21.4)	314,592 (324,898)
ENGINEERING CONTRACTORS	9	98,455 (86,878)	+13.3	75,202 (66,711)	62,139 (64,474)	14,451 (16,588)	44,118 (35,226)	+25.2	12,728 (11,843)	+7.5	51,414 (40,695)	407,568 (371,281)	18.5 (18.0)	180,015 (167,372)
MECHANICAL ENGINEERING	63	609,573 (615,629)	—1.0	446,400 (472,988)	286,866 (351,864)	83,923 (99,520)	183,862 (222,213)	—17.3	71,741 (79,546)	—9.8	251,641 (271,645)	3,390,106 (3,436,964)	13.2 (13.8)	1,407,748 (1,434,087)
METALS AND METAL FORMING	18	327,697 (419,352)	—21.9	228,158 (331,118)	125,012 (251,204)	49,723 (66,320)	62,284 (175,597)	—64.5	39,034 (65,853)	—40.7	116,303 (191,242)	2,096,316 (2,202,141)	10.9 (15.0)	751,686 (849,857)
MOTORS	25	243,572 (307,630)	—20.8	140,235 (205,904)	39,662 (120,338)	40,166 (46,028)	3,749 (70,678)	—94.7	20,602 (25,622)	—19.6	79,272 (139,331)	1,601,037 (1,558,068)	8.5 (13.2)	419,155 (498,917)
OTHER INDUSTRIAL MATERIALS	9	439,795 (459,183)	—4.2	326,511 (325,510)	222,407 (249,174)	71,805 (71,851)	142,173 (167,020)	—14.9	60,678 (59,244)	+2.4	187,506 (203,777)	2,188,246 (1,818,203)	14.9 (17.9)	647,821 (595,684)
TOTAL CAPITAL GOODS	215	2,924,558 (2,993,020)	—2.3	2,085,739 (2,203,791)	1,409,461 (1,683,386)	455,968 (482,213)	882,147 (1,113,487)	—20.8	337,936 (360,092)	—6.2	1,304,400 (1,446,607)	14,635,698 (14,254,872)	14.3 (15.5)	4,943,936 (5,048,186)
BREWERS AND DISTILLERS	4	12,982 (13,327)	—2.6	11,283 (11,752)	8,281 (9,483)	2,509 (2,288)	5,772 (7,195)	—19.8	1,823 (1,906)	—4.4	5,106 (6,381)	79,310 (70,088)	14.2 (16.8)	14,241 (14,419)
FOOD MANUFACTURING	14	728,703 (692,185)	+5.3	678,236 (562,681)	476,039 (486,242)	183,343 (161,506)	281,320 (313,008)	—10.1	79,533 (78,754)	+1.0	343,455 (357,414)	3,257,672 (2,997,482)	17.7 (18.8)	1,198,482 (1,189,884)
FOOD RETAILING	4	16,517 (13,462)	+22.7	12,221 (10,507)	11,290 (9,323)	2,989 (1,482)	8,295 (8,434)	—1.6	2,009 (1,599)	+25.6	(9,218) (9,230)	62,073 (44,917)	19.7 (23.4)	15,924 (12,382)
HEALTH AND HOUSEHOLD PRODUCTS	3	124,261 (108,489)	+14.5	99,546 (88,825)	73,820 (73,086)	29,395 (20,132)	40,805 (49,401)	—17.4	18,178 (16,765)	+8.5	45,548 (50,334)	427,295 (403,997)	23.3 (22.0)	150,073 (149,259)
LEISURE	22	211,464 (224,821)	—6.0	162,152 (184,608)	107,448 (145,523)	60,916 (54,032)	45,193 (89,717)	—49.6	32,019 (31,006)	+3.3	85,782 (94,719)	1,289,858 (1,161,804)	12.6 (15.9)	41,559 (68,754)
NEWSPAPERS, PUBLISHING	14	38,413 (55,406)	—30.7	23,298 (41,935)	6,296 (31,911)	6,393 (11,806)	1,351 (19,290)	—93.0	5,234 (6,270)	—16.5	8,250 (23,877)	252,075 (240,338)	9.2 (17.4)	74,940 (69,420)
PACKAGING AND PAPER	13	270,929 (286,410)	—5.4	190,623 (209,324)	132,143 (159,731)	42,775 (40,220)	68,246 (106,271)	—35.8	28,217 (31,715)	—11.0	88,004 (140,977)	1,188,044 (1,195,698)	16.0 (17.5)	265,828 (337,157)
STORES	12	63,784 (66,346)	—3.9	47,022 (54,356)	39,272 (50,770)	14,665 (16,985)	25,510 (33,282)	—23.4	9,286 (8,839)	+5.1	29,474 (34,259)	228,551 (205,283)	20.6 (26.7)	23,521 (35,887)
TEXTILES	40	190,043 (237,166)	—19.9	134,990 (185,210)	79,731 (146,170)	34,535 (44,322)	37,840 (93,784)	—59.7	24,429 (27,969)	—12.7	50,394 (113,709)	1,080,885 (1,143,415)	12.5 (16.2)	520,199 (580,681)
TOBACCOS	2	949,134 (873,829)	+8.6	754,377 (704,327)	603,433 (585,603)	219,804 (187,670)	355,353 (373,655)	—4.9	120,892 (112,770)	+7.2	396,090 (396,713)	4,334,570 (3,593,547)	17.4 (19.6)	1,258,311 (1,196,644)
OTHER CONSUMER	16	33,480 (41,817)	—19.9	18,093 (29,207)	11,108 (26,049)	6,550 (8,117)	4,563 (17,772)	—74.3	5,234 (6,632)	—21.1	12,711 (21,913)	223,649 (205,948)	8.1 (14.3)	104,870 (112,645)
TOTAL CONSUMER GRP	144	2,639,710 (2,613,258)	+1.0	2,031,841 (2,082,792)	1,550,861 (1,725,591)	603,657 (548,560)	874,250 (1,111,809)	—21.4	336,854 (334,212)	+0.8	1,081,032 (1,249,324)	12,423,983 (11,260,514)	16.4 (18.5)	3,663,648 (3,719,812)
CHEMICALS	16	1,025,764 (1,268,426)	—19.1	569,609 (874,058)	395,330 (734,510)	155,801 (101,618)	207,844 (599,335)	—65.3	119,547 (155,248)	—22.9	411,241 (721,241)	5,712,814 (5,424,616)	10.0 (16.1)	1,504,541 (1,636,245)
OFFICE EQUIPMENT	8	214,469 (235,205)	—8.8	184,655 (208,539)	152,155 (177,790)	63,066 (68,382)	84,096 (105,027)	—19.9	36,368 (35,950)	+1.2	74,419 (93,217)	983,491 (964,511)	18.8 (21.6)	158,023 (186,953)
SHIPPING AND TRANSPORT	13	406,593 (368,950)	+10.2	275,119 (241,315)	178,894 (149,535)	34,377 (37,708)	132,787 (105,326)	+26.1	41,065 (37,455)	+9.6	217,791 (184,398)	2,217,260 (2,126,446)	12.4 (11.3)	160,323 (118,716)
MISCELLANEOUS	55	367,499 (357,718)	+2.7	266,985 (272,215)	176,039 (220,513)	45,069 (56,710)	113,698 (144,929)	—21.6	38,413 (37,700)	+1.9	169,885 (179,241)	1,542,786 (1,386,727)	16.7 (19.6)	450,134 (445,306)
TOTAL INDUSTRIAL GRP	451	7,578,613 (7,836,575)	—3.3	5,403,948 (5,881,710)	3,862,740 (4,691,125)	1,357,938 (1,297,191)	2,294,822 (3,179,915)	—27.8	900,285 (950,667)	—5.3	3,258,769 (3,874,228)	37,616,086 (35,417,488)	14.4 (16.6)	10,880,605 (11,148,188)
OILS	11	9,439,033 (8,828,257)	+6.9	8,053,401 (7,638,197)	7,370,956 (7,014,132)	4,321,380 (3,843,025)	2,470,143 (3,028,809)	—18.4	560,688 ([illegible])	+11.5	3,284,105 ([illegible])	20,147,061 ([illegible])	40.0 ([illegible])	6,467,746 (5,335,462)
BANKS	4	1,833,600 (1,870,000)	—1.9	1,654,700 (1,706,400)	1,316,500 (1,572,600)	398,000 (493,900)	1,042,700 (1,056,500)	—1.3	166,700 (140,400)	+18.7	1,046,700 (1,064,000)	8,613,300 (7,434,800)	19.2 (23.0)	2,710,200 (2,247,200)
DISCOUNT HOUSES	2	2,314 (484)	+378.1	— (—)	— (—)	— (—)	1,615 (—79)	—	1,317 (1,069)	+23.2	— (—)	*684,988 (*654,504)	— (—)	387,746 (376,232)
HIRE PURCHASE	4	52,705 (42,442)	+24.2	48,859 (39,797)	9,349 (12,651)	4,097 (4,523)	5,033 (8,005)	—37.1	3,353 (3,811)	—12.0	4,717 (6,151)	347,415 (316,159)	14.1 (12.6)	145,887 (136,832)
INSURANCE (LIFE)	6	67,232 (67,697)	—0.7	— (—)	— (—)	— (—)	64,361 (64,680)	—0.5	47,969 (39,041)	+22.9	— (—)	10,562,897 (8,878,364)	— (—)	228,537 (170,317)
INSURANCE (COMPOSITE)	6	362,639 (385,360)	—5.9	— (—)	— (—)	— (—)	267,866 (281,262)	—4.8	132,275 (113,089)	+17.0	— (—)	6,205,767 (6,140,194)	— (—)	631,083 (651,489)
INSURANCE BROKERS	5	124,892 (128,119)	—2.5	104,526 (110,719)	97,004 (104,695)	45,578 (49,229)	50,440 (54,043)	—6.7	26,305 (25,718)	+2.3	37,905 (40,336)	383,705 (308,491)	31.3 (35.9)	73,868 (74,083)
MERCHANT BANKS	4	77,860 (60,336)	+29.0	— (—)	— (—)	— (—)	40,375 (27,295)	+47.9	12,264 (8,985)	+36.5	— (—)	*5,373,089 (*4,278,428)	— (—)	295,695 (237,943)
PROPERTY	17	79,311 (68,866)	+15.2	75,492 (65,329)	38,683 (35,205)	8,583 (11,069)	29,909 (24,045)	+24.4	15,125 (12,929)	+17.0	16,730 (12,684)	1,116,775 (1,002,548)	6.8 (6.5)	22,413 (3,175)
MISCELLANEOUS	10	707,169 (517,778)	+36.6	666,595 (481,022)	280,564 (217,151)	124,302 (107,821)	123,447 (84,802)	+45.6	32,413 (26,347)	+23.0	127,958 (91,844)	1,237,764 (1,001,282)	53.9 (48.0)	713,242 (593,453)
TOTAL FINANCIAL GROUP	56	3,307,742 (3,141,082)	+5.3	2,550,172 (2,403,267)	1,742,100 (1,942,302)	580,660 (666,642)	1,625,956 (1,600,353)	+1.6	457,721 (371,389)	+17.9	1,234,010 (1,215,015)	†11,648,959 (†10,063,193)	21.9 (23.9)	5,209,769 (4,390,724)
INVESTMENT TRUSTS	53	113,154 (105,743)	+7.0	111,893 (104,652)	96,312 (89,769)	38,516 (32,081)	61,391 (56,481)	+8.7	57,937 (52,845)	+9.6	3,444 (3,701)	2,094,960 (1,606,251)	5.3 (6.5)	8,139 (12,488)
MINING FINANCE	2	755,283 (678,419)	+11.3	583,546 (523,693)	507,641 (453,072)	215,375 (184,282)	156,966 (152,051)	+3.2	39,293 (36,638)	+7.2	286,277 (267,216)	3,087,471 (2,500,430)	18.9 (20.9)	722,951 (565,232)
OVERSEAS TRADERS	18	236,738 (236,770)	— (—)	203,511 (207,752)	146,779 (168,734)	45,681 (62,734)	92,553 (97,051)	—4.6	41,340 (38,112)	+8.5	78,922 (83,001)	1,181,842 (1,123,513)	17.2 (18.5)	278,171 (266,230)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 give trading profits plus investments and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation, that is to say profits after all charges except loan and other interest but before deducting taxation provisions and minority interests. In the case of Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits, that is to say profits after all charges including debentures and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporation taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—Minority interests.

2—All prior charges—sinking fund payments, etc., and Preference dividends and

3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed: Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses and insurance (life and composite).

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

Perivale swept aside in Hoover's fight against imports

Hazel Duffy reports on the vacuum cleaner market

FEW MANUFACTURERS have had the good fortune to have their names so identified with their products as has Hoover. In Britain, people have "Hoovered" their carpets rather than vacuum-cleaned them for 40 years.

But this huge marketing advantage has been gradually eroded in the past decade as Hoover has succumbed to domestic and foreign competition, failing to come to terms with its own high-cost structure.

The culmination of Hoover's declining market share was the announcement this week that it intends to close the factory in Perivale, West London, which established Hoover in Britain in the pre-war years.

The major Hoover products are vacuum cleaners and washing machines. Neither is a consumer product which is particularly susceptible to changes in fashion, the emphasis being on a serviceable machine which people tend to replace only when the product breaks down irretrievably.

For a vacuum cleaner, that can easily be more than 10 years, for a washing machine at least as long.

The market for vacuum cleaners is more or less static at around 2m. This year, the effects of the recession are expected to reduce sales to 1.8m to 1.9m.

Hoover's share of this market is about 40 per cent, compared with 50 per cent three years ago. It is strongest in upright cleaners while Electrolux, its Swedish-owner rival, has traditionally dominated the cylinder cleaner market.

The upright cleaner market is peculiar to the UK and U.S. It is not surprising, therefore, that the import drive has come in cylinder cleaners. Total imports of vacuum cleaners last year were 759,000 against 82,000 10 years ago.

Moulinex, the French manufacturer, has been particularly aggressive in selling into the UK but it is the recent growth in East European imports, as low prices, which are causing considerable concern to the British industry. Polish-made cleaners, for instance, have gone up from 12,000 to 96,000 in one year.

The European Commission started an investigation into imports from the Eastern bloc last month, following a complaint from the EEC industry that the prices at which they are being sold constitute dumping.

Hoover has also suffered loss of market share in upright cleaners from domestic competition, and there is some concern in the industry that East European manufacturers are planning to supply the UK with upright cleaners.

Hoover plans to transfer production of upright cleaners from Perivale to Cambuslang in a belated effort to save on the costs of running two vacuum cleaner factories—Cambuslang has concentrated on cylinder cleaners.

One or other factory had been expected to close for some time, and Hoover management has been criticised for not taking the decision earlier. Given the greater social problems of closing a factory near Glasgow than in West London, the fact that the axe is to fall on Perivale is not surprising.

Hoover also argues that Cambuslang is a much more flexible factory than the three-storey Perivale building. (The facade of the London plant has been protected by the Department of the Environment since the Firestone factory a few miles away was unceremoniously pulled down earlier this year.)

It is difficult to understand why Hoover has hovered for so long over coming to grips with its production cost problems. The workforce has been cut from 11,000 to 7,700 in the past couple of years and will be down to 5,800 when the current plan is completed.

The company employed 16,000 in the early 1970s, but the process of adapting the changing market conditions from the mid-1970s was slow.

The company has also been slow to invest in the degree of automation that has been introduced into the factories of its parent company in the U.S., in spite of having a mostly co-operative labour force at Perivale.

While Hoover's strongest product line has been under attack in the market place, its problems with washing machines show no signs of easing. Imports of Italian washing machines take 40 per cent of the UK market — some, say Hoover, coming in under terms of fair competition, but some very definitely not.

The company was particularly bitter that, having done all that it was exhorted to do at its Merthyr Tydfil plant in terms of productivity, the Callaghan Government was not prepared to take up its alleged case against the less scrupulous ian manufacturers. It is not possible under EEC rules to bring a dumping complaint against fellow EEC manufacturers.

The market for washing machines, at around 1.5m annually, is largely a replacement market. It breaks down into 1.1m automatics and 400,000 twin tubs (a product which is almost unique to the UK, it continues to be popular because of the lower initial outlay and running costs).

Hoover is still the market leader in Britain, a position which it has maintained only at great expense in terms of promotional costs in spite of introducing a number of "firsts" into its products.

Workers to oppose closure of factory

BY OUR LABOUR CORRESPONDENT

WORKERS at Hoover's vacuum cleaner factory in Perivale, West London which is marked for closure, yesterday voted to fight the closure decision, and to appeal for aid from the 4,500 workers at the company's plants in Cambuslang, Scotland and Merthyr Tydfil, Wales.

Union officials are to meet directors of the U.S.-owned company on Monday, to make a plea that the plant be kept open. Mr Arthur Gibbard, a divisional organiser for the Amalgamated Union of Engineering Workers, said yesterday that the unions met local managers yesterday after a mass meeting of workers. The unions had asked management for a return to the status quo and for the closure to be halted.

Mr Gibbard said representatives from all three Hoover plants had met at the Labour Party conference and agreed that a closure of one plant would be resisted by all.

Mr Tony Lusby, a regional officer of the General and Municipal Workers Union, said strike action was a strong possibility.

Perivale was one of the most efficient and profitable of Hoover's plants, he said. The unions had some "viable propositons" for keeping it open.

"The workforce is totally opposed to any pay cut or to any closure, and will take a decision on what it is going to do after we have had talks with senior directors. If we do not get some satisfactory answers there is a strong possibility that industrial action will take place," he said.

Mr Gibbard said that French employment in Hoover plants had gone up by 10 per cent, while UK employment had gone down by the same percentage.

Newport factory

RONSON — the company created by the Jeffrey Port group of companies after it acquired the business and assets of Ronson Products in the UK — is to reopen the Newport, Isle of Wight factory closed by the previous Ronson Products company.

THE WEEK IN THE MARKETS

Setting sail in a market squall

LONDON
ONLOOKER

The Government could have picked a better week in which to accelerate its plans for rolling back the State. Outlining their plans to privatise the majority of British National Oil Corporation's oil producing assets and releasing the prospectus for the flotation of Cable and Wireless, the bureaucrats who administer these things must have been aware that, a bare couple of miles away from Whitehall, investors in the City were about as jumpy as they can be.

The Whitehall mandarins might argue that the Bank of England is alleviating the problem by supplying liquidity to the money market at rock bottom rates. But how long can the bank's benign intervention policy continue?

Inter-bank rates are certainly putting heavy pressure on base rates, given that three month money is now offered at about 16¼ per cent. Having absorbed two successive interest rate rises in quick succession so far this autumn, the industrial community is in no position to accept another hike in the cost of very necessary debt financing with anything like equanimity. But gilt-edged yields are rising to accommodate the pointers from the inter-bank market and equity prices are making the inevitable adjustment.

The evidence of the extreme volatility in share prices, the failure of various sad attempts to lead a rally and, above all, the sheer scale of the rise in the cost of money, all ensure that the bulls are suffering heavy casualties wherever they surface.

Retail contrasts

A couple of years ago a popular past-time in the stock market was to contrast the growth of British Home Stores with Marks and Spencer's performance. This was dubbed by the kinder critics as typical of a mature group. At one stage the rating of BHS exceeded that of Marks. But in the past year or so the theory has been turned on its head. Following the introduction of a more competitive pricing policy in the summer of 1979, it is Marks that has shown all the fleetness of foot.

This week's results from the two groups for the half-year to September confirm the trend. Pre-tax profits from BHS were down 28 per cent to £7.6m, a level 42 per cent below that of two years ago. Marks produced a 25 per cent jump in profits to £86m, amply making up for the 11 per cent decline in the same period of 1980.

One does not have to search very far for the reason. Marks has evidently found the formula for gaining market share, while BHS is struggling to hold onto volume. In general merchandise in the UK Marks has pushed up volume in existing stores by about 7 per cent, while BHS has if anything seen a slight decline. In foods the contrast is sharper still, with BHS showing a volume decline of 1 per cent or so against Marks' gain of 12 per cent.

So Marks has been able to increase staff and still improve its net margins, while gross margins have recovered after the heavy discounting of last year. The pressure on volume puts BHS in a much less enviable position. To compete on price it has had to cut its gross margin by a full percentage point, while cost reduction measures have included a 3 per cent cut in the number of employees.

Nor does it look as if the BHS management has any firm strategy for countering the volume decline, which means that as consumer spending falls in the coming period it could come under further sustained pressure. The only area in which there may be changes is in BH's rather indeterminate food policy.

Meanwhile in a dull retail sector in the stock market Marks' has been a much better performer than BHS, although there is now talk among analysts that the time has come to switch. But given the cloudy outlook for consumer spending over the next 12 months, such a move could prove premature.

Tanks outflanked?

If you are a shareholder in Tanks Consolidated, do not hurry to accept the bid from Societe Generale de Belgique. Until this week, the takeover looked cut and dried. The Belgian group started off with a strong board presence, and nearly 30 per cent of the shares. One dawn raid and several market purchases later, its stake is up to roughly 58 per cent.

The offer of 450p per share was only 25 per cent above the level ruling before the bid approach. But it did not look bad compared with at least some market estimates of Tanks' net asset value.

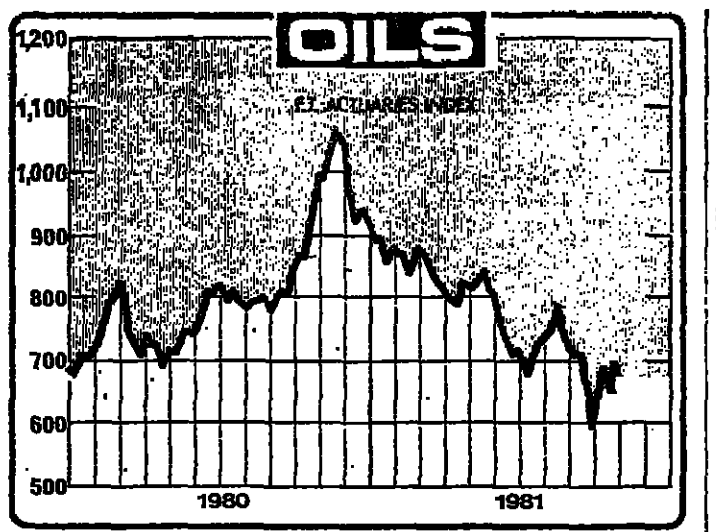
Brokers Laing and Cruikshank, for instance, had put the figure at around 420p per share just ahead of the offer. However, that took in Tank's North Sea assets at about £1 per share —a level which the brokers admitted was open to debate.

It is now beginning to look as though Tanks does indeed have some hidden jewels in its portfolio. This week, the independent board members stated that the terms did not in their view represent full value for the group's assets. A blunter view came from Rea Brothers, the accepting house, which claimed to be advising about a tenth of Tanks' shares. Rea let it be known that the bid was quite unacceptable in its view.

The independent directors will be spelling out their views in detail next week. They will have to feel very strongly if they are to advise shareholders to reject a bid after control has already changed hands. But after their statement this week, it might be difficult to do otherwise.

At the same time, Societe Generale must want things to go smoothly. Its bid for Tanks is only part of a much wider regrouping plan, and it wants to use the company as a sort of in-house investment holding operation. Its plans could be frustrated by a stubborn group of minority shareholders.

There is one other special feature in this story. Because Tanks is deemed to be managed oversas, this battle is not being fought under the rules of the Takeover Code.



New spinner

Better the devil you know than the one you don't may be the sentiment being expressed privately up in Yorkshire at the troubled Illingworth Morris textile group. As Mrs Pamela Mason rows herself out of the troubled waters of the world's largest woollen textile business, after two years of bitter boardroom battling, IM is now bracing itself for a full scale takeover bid from its new substantial shareholder, Manchester financier Mr Alan Lewis.

Certainly the UK directors of IM would be happy to let the dust settle after such a long period of wrangling but the emergence of Mr Lewis may pose more questions than answers. In simple arithmetical terms what Mr Lewis is paying for 19 per cent of the IM votes is below the prevailing market price for the shares and represents a substantial discount on the offer for Mrs Mason's 46 per cent total holding which was put together by Hill Samuel and various City institutions.

Mr Lewis has a six-month option to acquire the other 27 per cent of Im under Mrs Mason's control but this move is dependent on the court's ruling against the winding up petition in respect of the family estate brought by Mrs Isabella Blench, Mrs Mason's half sister.

Mr Lewis has made some reassuring noises about his future plans for the company but has spelt out nothing specific. The company, together with its financial advisers Hill Samuel, can be expected to mount a vigorous defence against any bid from Mr Lewis. Based on the terms of the deal with Mrs Mason he can acquire almost half of IM for about £1m.

IM's resumed annual meting is on Monday and is sure to be lively. Mrs Mason has given an undertaking not to vote her shares to remove the UK executives but there is a counter resolution by the executives to dismiss Mrs Mason and her son Morgan and this is sure to go to a proxy vote.

Hawker's cushion

Hawker Siddeley, as the City constantly points out, is a core holding in the mechanical engineering sector. It is big—capitalised at about £570m—it is liquid and, as the results for the half year released last week demonstrate, it is consistently successful. Profits rose by 7.7 per cent.

The UK heavy electrical and heavy diesel operations are still faced with weak home demand but higher export enquiries and orders are serving to lighten the gloom a little. The Canadian subsidiaries have benefitted by taking in the orders which would have come through in the second half of 1980 if it had not been for a damaging series of local strikes. In the U.S., the contribution has been enhanced by a full six months' contribution from Fasco Industries, against 3 months' profits in the corresponding period, and the acquisition of Elmwood Sensors, which manufactures thermostats, for the first time.

With £61.6m pre-tax under its belt against £57.2m at this stage last year, Hawker is expected to produce full annual profits of £125m against £113m.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	461.9	− 1.5	597.3	446.0	Gloomy economic outlook
F.T. Govt. Secs. Index	60.39	− 0.73	70.61	60.39	Upward pressure on int. rates
Amalgamated Metal	550	+140	550	223	Permodalan buy 5.85% at 550p
Anglia TV A	92	+12	94	72	Increased advertising revenue
Berec	115	+ 8	128	50	Counter-bid hopes
Callender (G.M.)	64	+17	75	31	Int. results due next Wednesday
Distillers	163	−13	235	160	Recovery prospects downgraded
Gill & Duffus	165	−29	237	160	Profits warning
Glaxo	388	+14	414	242	Press comment
Hawker Siddeley	280	+18	356	230	Better-than-expected int. results
LWT A.	110	+12	112	88	Increased advertising revenue
Lilley (F.J.C.)	148	+14	167	94	Good interim results
M.I.M. Hldgs.	202	−22	290	190	1st quarter loss
Mothercare	132	−24	256	132	Disappointing int. results
Nu-Swift	33½	+ 3	34	16½	UTA Freight buys near 10% stake
Polly Peck	320	+30	385	132	Revived speculative demand
Royal Bk. of Scotland	159	+16	202	87	Awaiting Monopolies report
Ruberoid	88	− 8	98	60	£1.3m NCB share placing
Saga Holidays	385	+42	388	232	Results and scrip issue
Smith St. Aubyn	120	−18	204	120	Disappointing interim statement

Bit of a breather

NEW YORK
DAVID LASCELLES

WALL STREET managed to get a bit of a breather this week from the tumults that have shaken it in the past couple of months. Prices moved in a narrow band, giving the market a chance to find a new footing—a process known in the trade as "consolidation." But nervousness was still in the air, as the sharp sell-off that greeted yesterday morning's bad inflation figures showed. The Dow was down nearly ten by noon.

But at least the economic picture seems to be getting clearer, even if it is not particularly heartening. Last weekend President Reagan used the word "recession" for the first time, and a couple of days later his words were borne out by news that the gross national product fell 0.6 per cent in the third quarter, its second consecutive drop which qualifies it officially as a recession.

The GNP report also contained the disturbing news that inflation, measured by the GNP Deflator (which economists prefer to the Consumer Price Index) sprang back to an annual rate of 9.4 per cent from 6.4 per cent in the second quarter. So yesterday's jump in the CPI to an annual rate of some 15 per cent, though severe, had been heralded.

Interest rates, to which stocks have been a slave all this year, were little changed, though the mood in the bond market was getting steadily worse as the Treasury prepared for its large sale of new debt next month.

The headline news for the stock market this week, however, was profits, or rather the lack of them.

General Motors stunned Wall Street on Thursday night by announcing its second worst loss ever, $468m, which was at least half as high again as analysts had expected. The final result would have topped last year's record loss of $567m but for various accounting changes and gains from foreign currency translation. The market could hardly have been served with more dramatic evidence of the critical state of the auto industry, and it presages lots more bad news when Ford and Chrysler report next week.

The third quarter is always tough for the auto industry because it coincides with the huge cost of changing over to a new model year. But GM's report showed that sales had fallen 2.6 per cent from last year's third quarter levels, which were thought at the time to be little short of disastrous. Auto shares were all off yesterday.

Another badly battered industry, airlines, also showed its scars. Profits at United Airlines, the country's biggest, were down more than a half. American Airlines and TWA were weak, and even Delta, considered to be the country's best-run airline, was off 70 per cent. The air traffic controllers' strike was largely to blame. But the major airlines are also in the thick of one of their periodic price wars, though interestingly United pulled out this week complaining that it was "ruinous."

Given the enormous boost takeover fever has had on stocks this year—helped in no small degree by the Reagan Administration's softer line on anti-trust—the Justice Department's threat on Wednesday to oppose the proposed brewing merger of Schlitz and Heileman could put a bit of a dampener on takover stock speculation. This was the first major anti-trust threat raised by the new Administration, and though it was in line with stated policy of opposing "horizontal" mergers (combining companies in the same market) it showed that the Administration has no intention of allowing a free-for-all.

The ensuing collapse of the Heileman bid raises fresh questions about the future of Schlitz

Even so, the little market action there was centred on takeovers, actual and rumoured. Penn Central, the once bankrupt railroad, now a successful energy and industrial company, was grappling with a legal challenge to its $1bn plus bid for Colt Industries, the maker of firearms and other industrial products. The challenge came from the Hunt brothers in Dallas who are big Penn Central shareowners and fear that the bid (to be partly financed with new Penn stock) will dilute their holding. The embroglio sparked rumours that some other predator might take advantage and bid for Penn Central, whose stock soared early in the week. But nothing came of it.

Another big loser was Newmont Mining, whose shares had been bid up in anticipation of Consolidated Gold Fields' plan to buy up to 49 per cent.

MONDAY: 847.13−4.56
TUESDAY: 851.88+4.75
WEDNESDAY: 851.03−0.85
THURSDAY: 848.27−2.76

FINANCE AND THE FAMILY

Checking of boundaries

BY OUR LEGAL STAFF

When a layman goes to buy a house, as I understand it, the title deeds all go to his solicitor (if he employs one) to check, and if the land is registered I understand that a plan or certificate from the Land Registry accompanies these plans showing the boundaries of the plot.

Who checks these boundaries and who would normally and customarily arrange for them to be checked?

The boundaries may, but will not necessarily, be surveyed by the Land Registry on first registration. The solicitor would normally draw attention to any obvious difficulty over boundaries, but would usually advise his client to check, or have checked, the boundaries for himself.

Letting shared accomodation

I am considering letting a room as a bed-sitter in my flat, the the tenant to share the kitchen and bathroom with me. Would you recommend a tenancy agreement either fixed term or periodic so that security of tenure by the tenant could be avoided? If so, what should it contain? Would the services of a solicitor be required?

It is wiser to have a written tenancy agreement. However the tenancy would normally be protected under the Rent Act 1977 whether it is written or oral, and whether for a fixed term or periodic. While you are not required to employ a solicitor, it would be wise to do so. We could not draft a tenancy agreement for you as it should be adapted to meet your own particular situation and requirements.

An owner occupier

I wish to let my home for one year. Is it correct that if I advise the prospective tenant prior to the signing of the agreement that I require it back as my sole residence after the year is up, this is now allowable under the Rent Acts? What exact wording is required?

Yes. No formal wording is necessary, but the tenancy agreement should state that the landlord is an owner-occupier and will require possession under Case 11 of the 15th Schedule to the Rent Act 1977 on the expiry of the contractual term of the tenancy.

Oppression of residents

I live in a block of flats with a Residents' Association, formed into a company. There are 36 flats in one block and 12 in that in which I live, the former block being of much better design and quality, but we all pay the same maintenance, and I do not consider we receive fair treatment. I believe that a minority in company law has certain rights. Is there anything we can do in this matter?

We do not think that the provision in the Companies Act as to oppression of the minority will help as this relates to oppression in their capacity as shareholders. You should however, examine your lease to see whether the contractual terms do in fact require the apportionment to be as you state. If not, you may be able to insist on a fairer apportionment. It might also be possible to attack the apportionment under the provisions of the Housing Act 1980.

Teacher's pension scheme

I have worked as a teacher in the LEA system since 1968 and am due to retire in 1992. I am "buying in" ten years enhancement of pension which would give me 34 years entitlement. I have saved enough to buy in the six years remaining but have been told that having once elected to buy in a certain period, I cannot increase it. My problem is how to increase my pension without its being classed as investment income. Have you any suggestions?

We have information that amendments to the buying in option under the teachers scheme are in progress and these will allow you further options. These have been discussed in the Teachers Superannuation Working Party on which all the teachers unions have representatives. If you are say a member of the NAS/UWT or one of the other teacher associations you should write to their pension expert and ask for up to date information.

Our information on the draft changes would suggest that not only can you increase your contribution to the maximum approved by the Inland Revenue (15 per cent including your 6 per cent basic contribution) but that you can further pay in a capital sum and even top up the number of added years with part of the cash gratuity that you would receive at retirement.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

An expensive executor

Under my late father's will, which leaves his estate to his widow, the Trustee Department of a Bank was named as executor. The initial estimate of their costs stands at £2,500, excluding solicitors' fees, etc. Is there a method in Law of reversing this costly appointment?

There is no way of altering the position if the Bank has proved the will. If not, you can invite the Bank to renounce probate and have letters of administration, with the will annexed, granted to the widow.

VAT pending on ACT

I live in a house some 55 years old which has lead water pipes. This year we have had two burst pipes for no apparent reason. Also in the loft is a galvanised cold-water tank, unlagged, which is also showing signs of considerable deterioration. The plumber advises that this tank should be replaced with a plastic one. He has made me a quotation to instal a new storage tank and to cut out all lead surface pipes, replacing them by copper pipes throughout the house "all pipes in roof void fully lagged including the renewal of three gate valves." He has added 15 per cent VAT to his quotation. Do you think any or all of the work should be free of VAT?

In the present uncertain state of the law we hesitate to give a firm answer to your question. Payments to your builder for items which amount to an alteration of your property and are not items of repair or maintenance are zero rated. The ACT Construction case which deals with this point will probably be decided by the House of Lords later this year and we hope that the situation will then become clear. The Customs have lost this particular case in the Court of Appeal. It seems to us that the work to be done for you does amount to an alteration other than the renewal of valves. The difficult question is whether the work is maintenance or repair. We would argue that it was not. We suggest that you put this point to the builder and ask him if he would give you a breakdown of the cost of the two items so that one can be zero rated and the other charged to VAT. If either he or the Customs do not agree we suggest that you reserve your position until the result of the ACT Construction case.

Second-hand bonds

Can I please have your views on Variable Investment Bonds, known as "Second Hand Bonds," as a means of limiting tax to 30 per cent?

Tax-avoidance schemes such as the second-hand bond scheme (whose purpose is to avoid the anti-avoidance provisions of chapter III of part XIV of the Income and Corporation Taxes Act 1970) inevitably provoke retaliation by the Inland Revenue. We recommend you to seek independent professional advice on the tax implications in your own particular circumstances, if you wish to weigh up the pros and cons.

Putting on a brave face

MINING

KENNETH MARSTON

WHEN it comes to announcing that third quarter profits have halved from the level of a year ago a company chairman can be said to be putting on a brave face when he says that the results "represent a considerable achievement considering the present economic climate."

That is what Mr Pierre Gousseland of the U.S. *Amax* diversified natural resource group has done this week. The impact of the world economic recession on metals and minerals has resulted in the company's third quarter earnings dropping to $51m (£28m) from $95.1m in the previous quarter and $100.3m in the third quarter of 1980.

However, let us put things into perspective. For one thing, the Amax profit of $95.1m for the second quarter of this year contained a special item in the shape of the gain of $46m arising from the sale of oil and gas shareholdings. Therefore, if this exceptional item is excluded, Amax has earned slightly more in the latest period.

Even so, there is no getting away from the fact that the company's total earnings for the first nine months of this year have fallen to $217m compared with $382m in the same period of 1980.

Mr Gousseland's comment on this is that 1980 was a bonanza year with total profits reaching a record $470.4m. And he says: "It is a tribute to the overall strength of the company that we expect to have the third best year in our history at a time when most world economies are in recession."

His comments stand up well against what is happening to other mining giants. Canada's Inco, for instance, the world's leading producer of nickel, has just reported its first quarterly loss—of U.S.$29.4m—for almost half a century. It leaves earnings for the first nine months of this year at $40.3m compared with $182.5m in the same period of 980.

Inco says that the quarter's result, "is symptomatic of the conditions facing the metals industry today. The weakness in the economies of North American and Western European countries, particularly in the capital goods sectors, has led to low demand and depressed prices for metals. These conditions are expected to continue well into 1982."

From Queensland, Australia's MIM Holdings base metal major has also come out with a loss for the September quarter, in this case its first quarterly loss for 45 years. The loss of A$1.14m (£707,000) covers the first three months of the company's financial year to June 30 and compares with a profit a year ago of A$32.36m.

Problems of "the Isa" have been compounded by shipping schedules and other operating difficulties which may be ironed out in the current quarter. It has also been hit by the adverse effects on export income of the strength of the Australian dollar.

Put another way, this exchange rate disadvantage has meant that in constant dollar terms the Australian dollar equivalent of the London Metal Exchange sterling price for copper is lower than the average for any year since the mid-1940s.

It is all very grim, but these big mining groups are undeterred. They have lived through hard times in the past and they have a strong earnings potential in paid-for assets and valuable mineral deposits for the future. MIM, which has just outlined big increases in its ore reserves, thus presses on with its A$1bn expansion into coal production.

Inco is continuing to pay quarterly dividends—although the rate has been cut to 5 cents from 18 cents—as an indication of the board's "confidence in the future of the company's business and their longer term return to satisfactory levels of profitability."

And Amax's Mr Pierre Gousseland says, hopefully, "most forecasters see economic recovery starting in mid-1982 and accelerating in the second half of the year as the effects of the (U.S.) administration's economic programme takes hold." Let's hope so.

On a more cheerful note, the South African gold mines are managing quite well despite the lower U.S. dollar gold price. Because of the relative strength of the dollar against that of the South African rand, the prices received in rands for the mines' gold sales in the September quarter have not been a great deal reduced and, in some cases, they have been above those of the previous three months.

Despite the continued upwards pressure of costs a fair number of the mines have increased their net profit for the quarter with the aid of increased gold production and, often, lower tax charges arising out of deductible capital expenditure. Notably good profit increases have included those of **Western Deep**, **Kinross** and the veteran **Durban Deep**.

Final dividends for the year to September 30 have been declared by the **Anglo American Corporation** group's Orange Free State mines, **Free State Geduld**, **President Brand**, **President Steyn**, **Welkom** (now a holding company) and **Western Holdings**.

The payments are, of course, reduced but on current share prices they still give yields of 15 to 18 per cent.

This is one reason why our Gold Mines index is still standing comfortably above the midway point between the year's high and low, which is more than can be said for the index of leading UK industrial equities on which yields are far less.

The latest quarterlies have also contained some good news for the ever-optimistic followers of the antimony-producing **Consolidated Murchison**. After having all but collapsed, the antimony market appears to have made a genuine recovery. Murchison's sales nearly doubled in the past quarter and the company expects that the higher level will be maintained for the rest of the year.

Finally, London's **Consolidated Gold Fields** and the U.S. **Newmont Mining** natural resource group have at last come to terms over Gold Fields' moves to build up a sizeable shareholding in the U.S. concern.

The deal is that Gold Fields will pay Newmont $72m for 1m of the latter's shares and this will bring the London company's holding to around 15 per cent.

It is also agreed that Gold Fields will be free to purchase further Newmont shares in the market between now and end-1984, to allow a maximum holding of 26 per cent.

The deal thus gives Newmont a large cash injection and an agreed absence of interference in its affairs, while Gold Fields will acquire a major stake in the North American mineral industry.

GOLD MINE NET PROFITS

	September quarter R000s	June quarter R000s	March quarter R000s	December quarter R000s
Blyvooruitzicht	17,042	17,606	17,457	19,983
Bracken	2,964	2,359	1,871	2,764
Buffelsfontein	26,385	30,071	23,944	34,367
Deelkraal	4,086	3,690	3,694	6,690
Doornfontein	11,620	18,103	14,469	22,220
Driefontein	86,244	92,097	—	—
Durban Deep	7,950	4,716	4,137	10,007
East Daggafontein	*24	145	60	197
Ergo	16,223	20,390	19,406	24,339
East Rand Pty.	†6,780	10,004	8,509	18,210
East Transvaal	1,917	2,423	1,961	2,560
Elandsrand	2,648	4,329	683	2,556
FS Geduld	41,176	37,559	37,662	44,962
Grootvlei	4,792	5,027	4,304	6,333
Harmony	23,107	26,489	28,848	33,720
Hartebeest	27,560	29,442	31,181	35,359
Kinross	10,000	8,137	7,893	9,099
Kloof	31,199	34,862	34,573	41,891
Leslie	3,123	2,886	2,283	3,289
Libanon	11,115	11,452	11,245	12,341
Loraine	†2,454	†3,483	†777	2,732
Marievale	500	537	413	1,070
President Brand	37,259	35,475	33,384	40,500
President Steyn	27,907	28,052	25,895	33,773
Randfontein	31,997	36,339	28,731	47,494
St Helena	15,729	16,158	14,625	19,340
South African Land	1,884	1,198	988	1,782
Stilfontein	11,231	11,625	10,202	14,127
Unisel	14,617	13,475	11,654	14,309
Vaal Reefs	75,986	89,986	63,655	123,085
Venterspost	2,449	4,022	3,634	5,635
Village Main	348	488	311	341
Vlakfontein	275	426	552	807
West Rand Consold.	†51	†938	†440	†2,981
Western Areas	13,713	14,007	14,514	35,481
Western Deep	59,515	54,373	43,613	73,047
Western Holdings	‡102,524	25,393	28,982	29,643
Winkelhaak	13,907	13,142	13,314	16,372

* Loss. † After receipt of State aid. ‡ Includes Welkom, FS Saaiplaas and Erfdeel operations.

هكذا من الأصل

YOUR SAVINGS AND INVESTMENTS—1

Richard Lambert looks at the National Freight buy-out

Switching over to self-drive and the qualities needed

BUSINESSMEN'S HEARTS beat faster across the nation this week at news that the City is going to put up about £50m to help the employees of National Freight Company buy the business from its present owner, the Government.

National Freight is a big company, with a rather spotty profits record. If a business like this can be acquired by its managers and staff, is there any limit to the now fashionable vogue for "management buy-outs?"

If all goes to plan, the deal will work like this. The managers and as many of the 26,000 employees who want to participate will raise about £4½m from their own resources, which they will put into a new company in the form of equity capital. The four clearing banks will put up about £750,000 in equity—plus the best part of £50m in a medium term floating rate loan.

As a result, 82½ per cent of the shares will be in the hands of the employees, and they will have ten years in which to pay off the bankers. The risks and rewards of equity ownership will be concentrated in their hands.

There is also a fallback scheme whereby the bankers would put up more of the equity and take more of the votes. But everyone seems to regard this very much as a second best.

It all looks very enticing. But for a number of reasons, National Freight looks like a one-off deal. Before rushing off to tell your boss that you plan to buy him out, consider whether your business can match these special qualities of National Freight.

● Probably most important, it has a well known and respected management team. In a buy-out scheme of this nature, financial backers have to be persuaded to build a tower of debt on to a narrow base of equity. They will only do this if they have a great deal of confidence in the managers' ability to prosper.

The Financial Times plans to publish next Friday, October 30, a special 8-page guide to management buy-outs.

● This is a case where price may not have been the only consideration for the seller. After paying off a pension fund deficiency, the net proceeds of the sale to the Government will only be about £6½m. The price looks fair under today's conditions—but another seller may have decided to hang on for a few years in the hope of something better. The Government, of course, is keen to get its denationalisation programme on the road.

● The City badly wants this deal to succeed. The bankers emphasise that they are acting on strictly commercial grounds. But you can bet that they worked overtime to pull off what for them is a political and public relations coup. And in most buy-outs, managers would probably be expected to put up a bigger part of the total consideration if they hoped to get a significant slice of the equity.

● National Freight has a lot of attractive property assets. Its net worth in the last balance sheet was £66m, and the figure could well be a good bit higher on an up-to-date valuation. Assuming that the 1981 Companies Bill becomes law, these assets can be pledged as security for the loan. National Freight will probably be the first buy-out to take advantage of these new provisions.

● Thanks to extensive reorganisation in recent years, the company is coming into the transaction with virtually no borrowing, and efficient manning levels. This will be of enormous value in a period when it will have to devote much of its resources to paying off debt.

● The business does not have to swallow great lumps of cash every year, which will be very helpful during the period of heavy debt repayment. A large part of its capital spending goes on short term assets—vehicles—and can be pruned quickly if times get tough. Working capital needs are modest, since National Freight has almost no stocks and creditors more or less match debtors.

● The group is diversified, and has a strong position in a rather fragmented market place. So the bankers do not have to worry that it might be knocked for six by a change in technology, or by a more powerful competitor.

● Labour relations appear rather good. A good part of the workforce has indicated interest in putting up equity, which will be a big help in raising the substantial sum that will have to come from the staff side.

Very few of these conditions apply to other Government-owned industries, like BL or British Steel. But although National Freight is a special case, it is still a very important landmark in the growing movement towards management and employee buy-outs.

Watchdogs for the holiday home

LEADING OPERATORS in the holiday timeshare market are trying to smarten up the industry's image by introducing a measure of self-regulation. Several operators now say they would welcome legislation to protect the consumer who buys a share in a holiday home.

The British Property Timeshare Association (BPTA) was set up this month under the chairmanship of Lord Garnock, a Board member of the British Tourist Authority and chairman of the UK British Overseas Trade Board of North America.

The impetus came from Resort Condominiums International, which is a timeshare exchange company. Mr Brian Wates, head of the European side of RCI and BPTA's secretary, explained why the association was set up. "The association has two functions: to support the industry and protect the consumer," he said.

A consumers watchdog committee will be formed under the auspices of BPTA but consisting of outside advisers. Mr Wates hopes to rope in someone from the Institute of Directors, a quantity surveyor and a representative of a leading consumer organisation.

Mr Wates said he hoped the public would learn to recognise the association's as yet undesigned logo. Apart from an eight point code of ethics, it has laid down strict membership rules for developers and marketing companies.

Developers must be UK-domiciled with at least 10 units ready for sale. In addition, these units must be approved either by one of the two timeshare exchanges, RCI or Interval International, which both vet developers before letting them join their schemes, or be guaranteed by an acceptable third party against consumer loss before completion. In the latter case, assurance is required that legal documents of occupancy will be conveyed with protection against any claims that may arise to disturb owners' rights.

Broome Park, once the home of Lord Kitchener, now converted for time-sharing. Under a time-sharing scheme an individual buys a share in a holiday home entitling him to use it for a specific period in the year

TIME SHARING
ROSEMARY BURR

RCI has a five point vetting scheme — and anyone considering buying a time share would do well to check the same points thoroughly. One, the location must be an established holiday centre. Two, the project must be a luxury development with high quality construction. Three, the legal documents must protect the consumer so there must be no underlying charge to disturb the consumer's right of occupancy. Four, the development must be in excess of 15 units. Five, the finances must be sound.

For marketing companies, BPTA membership is restricted to UK domiciled companies which have been trading for at least one year. The developments marketed must meet the standards of the association and the customers' money must be put into a third party client account. If the sale of the units takes place before the property is built the funds must remain intact until the development is complete.

Once a project is complete, the principal less commission will be held subject to receipt of a letter from the developers' solicitor stating that the the developer has irrevocably instructed him to issue documents in the name of the relevant purchaser.

While the criteria for membership are laudable, consumers may sensibly enough be reluctant to buy timeshares until they can get the ultimate protection of the law. Mr Wates said that "legislation is bound to follow" although he "hopes the market would be allowed to settle down first." He expected the legislation would mirror the pattern established in the U.S. where about 350,000 people have timeshares.

The American legislative position varies from State to State. The areas covered include documentation, the necessity for a separate clients' account, the right of the owners to determine collectively the management of the property, minimum standards of construction and an after-sale dispensation period to give the customer time to back out of the deal.

Mr Jose Cruz, a director of Interval International, agreed that "legislation was the next step." He highlighted two main areas of concern—documentation and management of the property. He said it was essential people knew what they were buying, either "the right to use" or "ownership."

"Most crucial of all," he said, "people ought to know what the maintenance charge would be in 10 years' time."

Leading timeshare property dealers say they are only too eager to have stricter controls. Mr Duncan Kinderman, UK marketing manager of Gulf Leisure, which has developed the stately home, Broome Park and sold 70 per cent of the units, said "we are quite happy to have controls. We really believe we have an answer to everything."

Mr Robert Rose, managing director of Atlantic Property, a leading European developer, said he would "love to see controls providing they were sensibly done." He also felt that estate agents marketing timeshares, particularly foreign properties, ought to be controlled to ensure they have vetted the properties thoroughly before offering them to the public.

Not all properties now on the market meet the criteria laid down by BPTA. So what about the developments which don't come up to scratch? Most leading tour operators have braced themselves for what they see as the inevitable casualties and bad publicity to come. Mr Wates's only consolation for the public was "the cowboys don't last too long" while Mr Kinderman was perhaps rather gloomy in predicting that most of the smaller timeshare developments "were going to crash."

Apart from the forming of an association, there are a few other signs that the British property timeshare market is acquiring a more respectable front. Familiar household names such as Barratt and George Wimpey are dipping their toes into the market. In addition, banks, such as Barclays Trust International, which is acting as trustee for Gulf Leisure's Aloha development in Spain, are becoming involved.

These are, however, at this stage only straws in the wind. The would-be purchaser would do well to run through the following check list:

Essential points to check before you buy

● CHECK THE COMPANY'S CREDENTIALS. Its financial backing, ownership, date and place of incorporation, previous experience in the market and size of its developments.

● JUDGING THE PRICE. Make sure you know what you are buying: a freehold will be more expensive than a right to use. Get an idea of property values in the area and the general outlook for property prices in the future.

● ACTUAL DEVELOPMENT. The best advice is to see the home you intend to buy. Short of this check other developments nearby, and ensure the quality is suitably high.

● DOCUMENTATION. However much you check yourself, never sign anything or part with money before getting your solicitor's advice. Discover whether a member of BPTA. If not, ask why not.

● AFTERCARE. Find out what sort of management service you can expect. See whether the management fee is linked to say the rate of inflation, and whether there is a separate fund for repair and damage. Make sure the owners collectively have the right to appoint their own management if they so desire.

● MARKETING. Some of the companies use very hard selling techniques. You may choose a holiday because it appeals to your sense of the romantic or excitement. But this is a lengthy commitment, not a three week fling. If possible talk to other people with timeshares—ideally on the same site or from the same company.

Congratulations from Nissan Motor Co., Ltd.

White Chrysanthemums and Birds by a Stream
by Ito Jakuchu (1716-1800)
Hanging Scroll; colors on silk

Kyoto's Nishiki Street, lined with shops selling fresh foodstuffs, bustles with shoppers at day's end. In the Edo period, the street was a wholesale market; Jakuchu's family ran a greengrocery here. Jakuchu, as the eldest son, succeeded to the family business but soon lost interest, inclining instead towards Zen and painting. Finally, at the age of 39 years, he handed the store over to his brother and retired. He also began to paint in earnest from this time. The famed set of thirty-one brilliantly colored scrolls of fauna and flora that he painted between the ages of forty-one and fifty-one years and donated to the Shokoku-ji (and now in the Imperial Household Collection) stands as his representative work. Jakuchu probably painted this chrysanthemum scroll near the very end of this series.

A large stream meanders through the background, with ultramarine and green rocks set nearby in the foreground; three varieties of chrysanthemums grow from among the rocks. Large round white chrysanthemums float above, filling the picture space. Four Japanese buntings play among the flowers. The strange rocks probably derive from the renowned rocks of China's Lake T'ai, while the shape of the stream clearly shows the influence of Rimpa design. Jakuchu also copied Chinese paintings, but lay greatest importance on drawing from life, the foundation upon which he created his own unique style. Jakuchu's painting, while realistic in its parts, presents a truly visionary view of nature when looked at as a whole. He has depicted both the chrysanthemums and the birds very precisely. Chrysanthemums blossoming with such curves, however, cannot be found in nature. The chrysanthemum stems do not appear bent by the weight of the flowers. The beauty of the repeated curves in the stream, stems and rocks, rather than gravity, controls this world. Careful examination reveals that both flowers and leaves appear surprisingly flat; nor are the stems strong. The brush technique also falls into a limited number of patterns.

Jakuchu's paintings, judging from their realism, do not derive from the flower and bird paintings of the Chinese Sung dynasty. Jakuchu learned from later, more stylized Chinese painting, turning that stylization around to create works that reveal nature's submerged structure. The Greeks discussed order in nature and created geometry. Jakuchu painted pictures more beautiful than nature herself.

THE GREAT JAPAN EXHIBITION

Art of the Edo Period 1600—1868

October 24, 1981 to February 21, 1982 The Royal Academy of Arts
(This exhibition will be closed from Dec. 21 to Dec. 27 inclusive.)

An exhibition, organised by the Royal Academy in partnership with the Japan Foundation, and sponsored by Midland Bank International in association with The Observer, Overseas Containers Limited, Pringle of Scotland, Shell Sekiyu and John Swire.

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YOUR SAVINGS AND INVESTMENTS–2

Richard Hanson looks at the state of the Japanese stock markets

A ride on the Tokyo see-saw

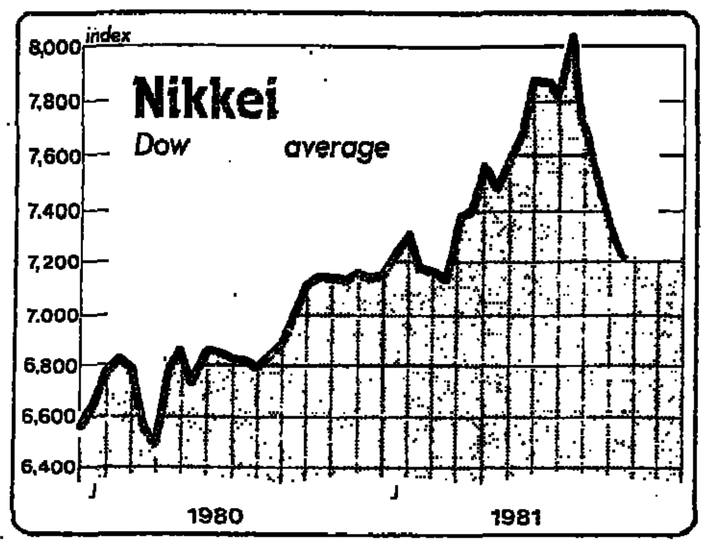
The Tokyo stock market seems for the moment populated by despondent bears clinging nervously to bulls' clothing. Even the perennially bullish giants of the local securities industry (whose members would probably prefer hara kiri to making a public "sell" recommendation on a client's shares) are edgy.

After all—led by the Big Four (Nomura, Nikko, Daiwa and Yamaichi)—they will be called to the barricades if another frontal assault on prices looms in coming weeks. Considering the dim view of Tokyo now being taken by some foreign investors, they may find themselves alone.

Less than four weeks ago, Tokyo tripped off what, for London and elsewhere, became one of the most disastrous days on the record in the spasm of selling prompted, in part, by worries about the New York market. It was, as one Tokyo fund manager put it, "the shadow of Granville," and the stock guru's gloomy predictions.

The Nikkei Dow Index shed more than Yen 300 on that blue Monday and edged dangerously close to the psychologically important Yen 7,000 mark, nearly 1,000 points below the optimistic new peak reached in August. This Monday, the market recorded its third biggest drop of the year and briefly slumped below Yen 7,000 before the Big Four performed what amounted to emergency resuscitation. By the week's end the market was still sliding erratically about the Yen 7,200 level, or 10 per cent below the August record.

There is no doubt that movements on the New York Exchange (which has dropped even further below its record high than Tokyo), and gloomy reports on the U.S. economy as well as the prospects for interest rates and Japan's grossly undervalued Yen, have helped turn the Tokyo market into a sort of giant yo-yo. But by early this week, the market was clearly paying more attention to the disarray in its own backyard.



The biggest cloud hanging over the market continues to be margin debt. Defying all past logic, the balance of credit extended to investors to purchase shares on margin appears to have become stuck at record high level of Yen 1.8 trillion just where it was before the big selloffs began.

By most rules of thumb, the balance of margin debt needs to shrink by as much as 10 per cent from a market peak before a genuine consolidation can be said to have occurred. The current skittishness in Tokyo is partly explained by the fact that nobody knows whether a bottom has been reached. Bulls would like to believe that the 7,000 barrier is the bottom. Each time the market falls close to that level fears rise that a mass exodus by investors squeezed by margin debt may be on the way.

These fears are hypothetically justified by the simple, and somewhat overwhelming, fact that margin debt covers a significant part of the value of the whole market. Tokyo has seen a gradual decline in individual share ownership, but, unlike New York, notoriously jumpy individual investors still make up the biggest block of daily transactions on the exchange, around 57 per cent.

As much as 40 per cent of their purchases are done on margin, which means a possible selling stampede to cut losses each time the market whittles away at the value of their collateral. Right now the high level of debt sits like a time bomb. One foreign analyst likes to describe what the market is waiting for as a "selling climax" which could just push the Nikkei Dow below 7,000.

All this would perhaps be more alarming if it were not so typical of how the Tokyo market gets itself into fixes. The margin debt problem was not helped at all by the authorities which govern the Tokyo Stock Exchange, which lowered the margin requirement after the Blue Monday collapse to the legal minimum of 30 per cent to encourage buying. They had already lifted the allowable maximum on valuing collateral to 70 per cent.

Another problem lies within the securities industry itself. Japanese underwriters in September accommodated the biggest flood of new equity issues in the history of the exchange.

With the enormous, and as it turned out, disruptive rush to issue convertible debentures and equity overseas, Japanese companies issued at home last month equity equivalent to 40 per cent of the total for all of 1980. This created an oversupply of stocks just when interest in buying them hit rock bottom. Foreigners, having their fill of Japanese investment in their own back yard, were obviously not going to take up the slack.

The best explanation of this lemming-like behaviour is that Japanese securities companies have an overdeveloped sense of competition (no one could turn down an issue for fear the other would take it up).

The American way

FUNDS
ROSEMARY BURR

INVESTORS seeking capital growth and a reasonable income from the U.S. stock market might be interested in a new offshore fund put together by Drayton Montagu. By using the double taxation treaty between the U.S. and UK, Drayton has come up with a formula which has until now been beyond the reach of fund managers.

American Equity Income Trust offers investors who are UK residents a potential yield of around 10 per cent gross. This is considerably higher than rival U.S. growth funds and comfortably tops the Target U.S. Special Bond Fund which will yield 7 per cent gross.

American Equity is an unauthorised unit trust set up in Jersey to invest in U.S. equities under the management of Jersey International Fund Management, a subsidiary of Samuel Montagu. Drayton Montagu Portfolio Management in London will act as investment advisers while Samuel Montagu in London will collect the dividends from which 15 per cent U.S. tax has been deducted.

Samuel Montagu will then deduct a further 15 per cent to comply with British taxation requirements and remit the funds with a voucher stating 30 per cent tax rate has been charged to Jersey International. By adopting this method of collection, and utilising the double taxation treaty, Drayton Montagu has substantially increased the return to the investor. If an investor had placed his funds in an authorised unit trust then the dividends would have been subjected to a rate of around 52 per cent.

The funds will be invested in U.S. companies which offer relatively high yields and good growth prospects. The mix consists of major companies in popular sectors, which Drayton feel the market is ignoring, fast turnround situations and smaller companies with good growth prospects.

The minimum investment is £1,500 and the fund will be launched between November 2 and November 16. Drayton hopes to raise £1m in the first year.

The new fund appears to overcome the difficulties of getting high income out of Wall Street, but the most important consideration, of course, will be performance. The managers admit that the need to achieve a reasonable income is bound to take some of the shine off the capital performance.

Cavendish counting on oil

BONDS
ERIC SHORT

THE ELDERLY saver was hard hit last month by the Inland Revenue when life assurance tax credit on certain forms of Guaranteed Income Bonds was withdrawn. These savers lost a source of income that guaranteed ultra-high returns, though it is true that such plans were an abuse of the tax credit given to long term life contracts.

Ever since, advisers have been looking for an alternative investment, if only because this was for them a useful source of income—investment in these bonds ahead of the Revenue's action amounted to around £40m. The curent crop of income bonds are pale imitations by comparison, offering only a point above building societies.

These advisers may well be attracted by a completely new bond from a new life company that appears to offer not only guaranteed income and a return of capital but the prospects of substantial bonuses on top—even better than the old style GIBs. Investors and their advisers need to consider the implications of this new bond very carefully.

It is called the Cavendish Energy Bond and is the first product from Cavendish Life Assurance Company based in Gibraltar. The Bond offers investors a secure fixed rate of return of 12¼ per cent over five years and an asurance that the initial investment will be returned at the end of five years if so desired. The return should be free of basic rate tax for the UK investor, but liable to higher rate tax.

In addition there is a Royalty bonus on the income and a lump sum index-linked profit participation on the capital sum. So what stops the investor from rushing out to buy?

Around 55 per cent of the investment will be put into UK gilts to secure the return of capital after five years. This investment could also provide part of the fixed return income. So far so good. The remainder of the investment will be directed into "promising oil investments" to secure the fixed rate of return, the royalty and the profit participation. Here care is needed by the investor.

The investment in oil will be made through Parkford Petroleum Inc., one of the U.S. independent oil producers. Parkford and Cavendish Life are owned by Oxford Marketing and Trading Company of Nassau, Bahamas. This company is owned by Patrick N. DiCarlo, who is chairman of Cavendish Life and chairman and chief executive of Parkford.

Parkford is launching an aggressive lease acquisition and drilling programme in the 1980s and intends to increase current levels of production by over 1,000 barrels per day and to achieve this is seeking the investment of $18½m in the next 18 months.

It has several sources of finance and one of these is to be Cavendish Life and the money from the energy bond. Patrick DiCarlo stated at the launch that money from this source would be used to finance production not exploration.

Progress to date seems impressive with acquisitions in Pennsylvania and Kansas, and an income of $28m over the next 2½ years from the newly acquired assets is confidently predicted.

Royalties arise once the producing wells in which the bond money is invested are viable. An income bonus starts to be paid once daily production averages four barrels per well. The profit sharing comes from the movement in the price of oil, a bonus being paid on a sliding scale varying from two points as the average price over the next five years is $42 per barrel to 100 points for a price of $69.5. The current price is around $34. The bonus is paid at the end of five years.

Everything depends on the success of Parkford in its development and the future oil price movement. The profit participation prospects do not look promising on current prices and trends.

Cavendish Life has the right to sell the UK gilts and substitute proven oil reserves worth at least 175 per cent of the value of gilts sold on an independent valuation.

So nothing is guaranteed in the future and Cavendish never uses the word in its promotional literature. In spite of the construction of the bond, a whole life policy with options after five years including cash back, this is an investment into a small ambitious U.S. oil company, which has provided a quantity of information to insurance brokers, but it is not easy to check out independently. Fortunately the name of the bond does not mislead.

In addition, Cavendish Life is an off-shore life company, so is not subject to UK statutory controls. The investor does not have the benefit of the Policyholders' Protection Act if Cavendish Life runs into trouble. Everything rests with the monitoring of the trustees Hongkong and Shanghai Bank Trustee (Jersey). The final feature for investors to consider is that, the company does not guarantee a cash-in before two years, though it would try to match a seller with a buyer.

The tax position is not completely clear either. Cavendish has taken counsel's opinion and this stated that investment gains would only be subject to higher rate tax and investment income surcharge. The tax position on the Royalty bonus is extremely complex. But the Inland Revenue can always apply Section 478 of the Income and Corporation Taxes Act, 1970 — regarded as a sweeping up clause for ill-defined situations such as these. So Cavendish Life is emphasising to brokers that they should sell the bond as an investment in oil, not as a tax avoidance device.

Record National savings yield

HIGHER RATE tax payers may be interested in the latest issue of National Savings Certificates which are on sale from Monday November 9. Investors who stick with the certificates for their full five-year life will get a return of 10.51 per cent free of all taxes.

For those paying basic rate tax this return is nothing much to shout about as they can get a better return from a five-year building society term rate or a gilt. In addition five-year income bonds are yielding between 11.5 per cent and 10.5 per cent at the moment, with the Trustee Savings Bank bringing up the rear at 9.25 per cent.

However, for those paying a 45 per cent tax rate or higher this issue may prove worthwhile. The new certificates will be dealt in units of £25 with a maximum holding of £5,000 compared with the previous £10 units and £3,000 maximum.

Investors attracted towards the new issue should take a look at gilts. For as the table shows if you pick your gilt with care you are on to a winner regardless of tax rate.

RETURN (%) AFTER TAX AT

	30	45	60
NATIONAL SAVINGS			
5-year certificates 23rd issue	10.51	10.51	10.51
Index-linked certificates	†	†	†
BUILDING SOCIETIES			
5-year term	11.75	9.23	6.7
GILTS*			
Treasury 3pc 1986	11.72	11.161	10.6
Treasury 12pc 1987	12.56	10.55	8.5
LOCAL AUTHORITIES			
5-year bond	11.55	9.07	6.6
INCOME BONDS			
Norwich Union	10.43	9.92	9.45
Scottish Equitable	11.48	10.06	8.56

† Depends on inflation. Current rate is 11.4 per cent.
* Source W. Greenwell.

Spread the risk

OVERSEAS TRUSTS
ERIC SHORT

INVESTORS THIS year have been faced with a stream of new unit trusts coming on to the market, many of them specialising in a particular country or range of industries. Management groups have followed each other in launching Japanese funds or world-wide technology trusts. This week has brought an Australian fund from Chieftain, and there are others in the pipeline.

This plethora of funds is posing several problems for advisers, including insurance brokers and life assurance salesmen who these days play an important part in marketing straight unit trusts as well as units linked to life bonds.

These brokers are well versed in knowledge of life assurance products and their tax efficiency, but are less familiar with the investment aspects. Indeed, the Insurance Brokers (Registration) Act 1977, does not require life brokers to be proficient in investment strategy. But these days, linked life and unit trust business is at least as much all about investment as life assurance.

The result can be unsettling. At two recent conferences for brokers run by Planned Savings and Sun Life Unit Assurance, brokers who had earlier followed the fashion and put their clients into Japanese funds were beginning to realise the complexities of the market they had taken on.

They were worried about leaving their clients in a bear market for too long. They wanted an authoritative source of information—as well as a scapegoat.

However, life assurance intermediaries have to face the blunt truth that they alone are responsible for advising their clients on what to hold and when to switch. They need to understand that overseas markets can be volatile—and to explain the implications of this to clients.

It would probably be better in the long run for most intermediaries and their clients not to follow the latest investment fashion in specialised funds, unless they have access to professional investment advice. Instead they should go for more general fund and leave the investment decisions on switching territories to the experts.

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YOUR SAVINGS AND INVESTMENTS—3

Cable on the right lines

THE GOVERNMENT'S sale of roughly half its holding in Cable and Wireless looks poised for success, even though the offer price is on the tight side. Another downward twist on the stock market could conceivably give it a rough passage over the next week but the sub-underwriting has been moving well and the example of Habitat, which recently floated off in extremely choppy waters, should reassure the faint of heart.

British Aerospace, the Government's earlier exercise in industrial divestment, provides another encouraging precedent. Like Cable, it is a company with no exact counterpart in the UK stock market, or indeed anywhere else. The great initial success of the offering was partly due to BAe's scarcity value and Cable should attract a following for the same reason—particularly as the Government is holding on to half the equity.

Foreign enthusiasm for Cable is reported to be strong and the publication of a prospectus in Chinese is sure to excite some interest in free-wheeling Hong Kong. So, even though the pricing may deprive the stags of a field day, private investors are most unlikely to lose out in the short-term.

How Cable will hold its own in the long-term after-market is a much more difficult question. British Aerospace, after all, has fallen back sharply from a high point of 251p to about 175p—a premium of 16.6 per cent over the offer price.

For the past 10 years, Cable has been slowly grafting a telecommunications marketing business on to its long established franchise operations. The franchises, many of which were first developed during colonial days, are mostly for the provision of external telecommunications. They are generally very profitable.

The Hong Kong franchise provided 60 per cent of Cable's group profits last year. The company has been obliged to give up 20 per cent of the Hong Kong business in return for a new 25-year contract but its chairman, Mr Eric Sharp, believes that growth in volume will soon compensate for the dilution.

Another important territory is Bahrain, which is also highly profitable. But franchise business is not always plain sailing. The Yemen managed to provide a loss of £3.5m on turnover of £4.7m last year, almost offsetting the profits from Bahrain.

Cable has capital spending plans which will absorb between £80m and £100m a year for the next five years. Most of this will be going towards new franchises. Macao alone will absorb £100m over the next decade.

But Cable is also ploughing money into its non-franchise operations, which are still making a poor return. The most ambitious of them, in the U.S., are barely breaking even before interest costs and central overheads. The potential for telecommunications equipment is enormous, given the gradual deregulation of the UK and U.S. industries, but the risks are high and the capital commitments steep.

So there are uncertainties attached to the Cable venture, not least because of the company's extreme sensitivity to exchange rates, which have depressed profits for the past four years. The dull earnings performance of recent years may now be a thing of the past, and the huge resources of the balance sheet are certainly reassuring. But with the possibility of renationalisation by a hostile Labour Government lurking in the background, the shares are no give away.

The offer has been priced at 168p, which produces a multiple of 13.3 times this year's adjusted earnings, on a full tax charge. The proposed dividend, yield 5.4 per cent and is well covered.

Mr Eric Sharp

John Makinson

Payment without pain

TODAY we start a new series to provide readers with a guide to the services offered by the clearing banks. Each week we will focus on one service and discuss its pros and cons.

PAYING BILLS is something everyone does several times a day, often with little thought except a moan at the increasing cost of living. Rarely do people consider whether they can save money by the way they actually pay.

In fact, not all methods of payment are as expensive as, say, cheques although for clearing bank customers with more than certain minimum balances cheques, standing orders and direct debits are all free.

For those who pay banking charges it makes sense to choose direct debits, the cheapest possible method of payment. Not all bills can be paid in this way as only companies sponsored by their banks are approved originators and allowed to debit their customers directly.

So how does direct debiting work? A customer who regularly makes payments to one of the 1,000 approved originators can authorise that company to debit his current account directly in the future. When the customer gives his authorisation, he will state whether the amount debited is fixed or can, subject to his being given notice, be a variable amount.

The scheme is very popular with companies as it ensures regular and prompt payment of bills and cuts down administration costs. The banks much prefer direct debits to cheques and standing orders both of which take more time to process.

For the customer, the system removes the burden of making individual payments, and the cost of postage; and it is cheaper than paying by cheque or standing order if bank charges are taken into account. However some people find that by writing cheques they have a better idea of how much money is actually in their account.

In theory the customer is completely shielded from any mistakes that may happen. A customer wrongly debited should get his money back from his own bank, which will then seek restitution from the originator.

In practice, sometimes this does not happen. A colleague found his account debited twice by Sun Life, the insurance company, for his premium. His bank, the Midland, proved of little help and six months later, Sun Life repaid the £500 which had been incorrectly debited and made an ex-gratia payment at an interest rate of about 5.

Mr Alan Hunt, assistant chief accountant at Midland and a member of the pre-authorised payments committee of the clearers, said, "If I knew which manager it was I would shoot him. The manager should have offered a refund and claimed the money from the insurance company."

Bank	Cost of cheque	Direct debit	Minimum balance to avoid charges
NatWest	18p	12p	£50
Midland	20p	15p	£100
Barclays	17½p	17½p	£50
Lloyds	20p	20p	£100

Banking Brief

"To be honest," he added "we rarely have a complaint which is not settled at branch level now. About six years ago when the scheme first started I used to have four or five cases a week at head office."

Direct debiting was slow to gain acceptance when it was first introduced in 1967. Most people preferred standing orders, when they instruct the bank to pay a company a specific amount. But gradually more and more companies and local authorities started using direct debits which they found cheaper and more efficient.

Rosemary Burr

The Association of Investment Trust Companies

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(5): as at close of business on Monday 19th October 1981. Columns (6)–(10): as at 30th September 1981.

Total Assets less current liabilities (1) £million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	Geographical Spread: UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Gearing Factor (10) base=100	Total Return on N.A.V. over 5 years to 30.9.81 (11) base=100
	VALUATION MONTHLY									
192	Alliance Trust	241	6.2	370	49	38	6	7	99	177
154	British Invest. Trust	169	7.5	242	60	33	6	1	88	162
51	First Scottish American Trust	108	6.0	155	57	30	12	1	101	178
16	Grange Trust	128	4.1	150	63	28	2	7	106	208
85	Great Northern Invest. Trust	114	8.3	172	60	20	10	10	100	199
107	Investors Capital Trust	106	4.1	150	37	40	16	7	100	171
10	New Darien Oil Trust	83	0.0	100	1	88	—	11	87	†
61	Northern American Trust Co.	117	5.7	170	55	31	13	1	103	180
179	RIT Ltd	323	6.0	464	53□	16□	6□	25□	70	283
23	River Plate & General Invest. Trust	105	7.1	146	72	10	—	18	98	273
13	xSave & Prosper Linked Invest. Trust	90	—	153	100	—	—	—	175	181
166	Scottish Invest. Trust	120	5.1	175	39	39	9	13	100	†
73	Scottish Northern Invest. Trust	94	5.2	130	60	35	2	3	103	210
139	Scottish United Investors	51	4.4	72	30	41	10	19	104	173
64	Second Alliance Trust	213	6.2	320	49	38	6	7	102	178
3	Shires Investment Co.	125	13.5	134	100	—	—	—	88	193
101	United States Debenture Corporation	91	8.8	144	67	33	—	—	101	†
	Baillie Gifford & Co.									
157	Scottish Mortgage & Trust	145	5.2	206	38	39	13	10	104	174
78	Monks Invest. Trust	67	5.1	95	35	41	13	11	104	183
20	Winterbottom Energy Trust	60	1.4	77	4	90	—	6	106	168
	Baring Bros. & Co. Ltd.									
53	Outwich Invest. Trust	59	5.4s	89	59	17	11	13	112	194
35	Tribune Invest. Trust	91	4.2	132	39	32	12	17	100	171
	Drayton Montagu Portfolio Mngt. Ltd.									
9	British Indust. & Gen. Invest. Trust	131	5.5s	171	45	13	20	22	95	156
4	City & Foreign Invest. Co.	69	0.0	92	2	98	—	—	96	†
10	Colonial Securities Trust	48	8.9	63	82	8	—	10	111	†
59	Drayton Commercial Invest. Co.	138	7.2	214	51	16	12	21	94	†
82	Drayton Consolidated Trust	148	7.3	235	52	15	16	17	96	150
14	Drayton Far Eastern Trust	76	2.3	84	10	—	33	57	79	†
94	Drayton Premier Invest. Trust	188	7.8	297	54	17	13	16	93	†
17	English and International Trust	97	8.1	156	59	23	8	10	91	168
7	Montagu Boston Invest. Trust	57	2.6	72	1	99	—	—	80	†
16	xCity & Commercial Invest. Trust	205	—	299	93	3	1	3	145	†
15	xDualvest Ltd.	400	—	519	79	7	1	13	131	256
13	xFundinvest Ltd.	96	—	154	91	3	—	6	130	237
40	xTriplevest Ltd.	288	—	450	73	13	1	13	136	†
	East of Scotland Invest. Managers Ltd.									
†	Aberdeen Trust	119	7.0	†	†	†	†	†	†	†
	Edinburgh Fund Managers Ltd.									
78	American Trust	58	*5.2	85	45	54	—	1	100	199
21	Crescent Japan Invest. Trust	311	0.4	307	—	—	100	—	96	197
17	General Scottish Trust	53	7.8	76	58	26	9	7	107	195
11	New Tokyo Invest. Trust	115	0.0	113	—	—	100	—	99	†
10	Wemyss Invest. Co.	335	8.1	456	61	20	—	19	92	170
	Electra House Group									
108	Electra Invest. Trust	49	7.9	66	55	34	—	11	96	210
350	Globe Invest. Trust	131	8.2	179	56	26	5	13	105	222
40	Temple Bar Invest. Trust	104	10.6	135	89	7	—	4	99	187
	F & C Group									
34	Alliance Invest. Co.	92	4.2	115	45	28	19	8	104	241
32	Cardinal Invest. Trust	127	5.1	181	55	17	5	23	106	222
5	F & C Eurotrust	52	4.0	64	11	2	—	87	103	114
267	Foreign & Colonial Invest. Trust	58	4.5	82	49	25	16	10	115	196
42	General Investors & Trustees	160	5.6	231	51	16	5	28	106	229
	Fidelity International									
1	xCystic Fibrosis Research Invest. Trust	94	—	102	86	4	4	6	172	†
	Robert Fleming Investment Mngt. Ltd.									
34	Capital & National Trust	145	*6.8	220	65	18	5	12	99	189
15	Claverhouse Invest. Trust	116	7.9	154	99	—	—	1	101	274
15	Crossfriars Trust	103	9.0	147	100	—	—	—	94	239
75	Guardian Invest. Trust Co.	94	7.1	146	70	12	12	6	102	198
44	London & Holyrood Trust	136	6.0	202	63	21	5	11	99	183
32	London & Montrose Invest. Trust	87	6.2	132	55	26	7	12	97	180
60	London & Provincial Trust	127	6.0	191	55	27	6	12	98	175
137	Mercantile Invest. Trust	52	6.9	79	49	32	7	12	99	223
50	Sterling Trust	191	7.1	291	63	22	8	7	102	169
38	Technology Invest. Trust	141	4.4	191	59	30	10	1	101	191
94	United British Securities Trust	144	6.9	212	56	24	7	13	97	184
28	United States & General Trust Corp.	231	6.5	340	67	18	5	10	99	182
	GT Management Ltd.									
34	Berry Trust	165	1.2	185	54□	27	8	11	77	310
1	xChild Health Research Invest. Trust	145	—	154	51□	25□	18	6	60	†
8	GT Global Recovery Invest. Trust	75	0.0	83	37□	40□	—	23	69	†
20	GT Japan Invest. Trust	333	1.9	323	—	11□	78	11□	79	217
13	Northern Securities Trust	235	2.7	290	56□	22	15	7	88	265
	Gartmore Investment Ltd.									
9	xAltifund Ltd.	158	0.3	205	88	4	4	4	127	315
31	Anglo-Scottish Invest. Trust	59	5.8	87	51	34	4	11	104	199
41	English & Scottish Investors	62	*4.1	86	38	28	11	23	115	232
10	Group Investors	97	4.6	124	47	41	6	6	98	223
7	London & Gartmore Invest. Trust	114	1.9	142	32	25	9	34	122	177
11	London & Lennox Invest. Trust	40	6.8	58	58	28	—	14	105	166
28	London & Lomond Invest. Trust	86	6.3	132	67	30	—	3	108	201
14	London & Strathclyde Trust	69	4.6	88	55	34	—	11	109	188
18	Meldrum Invest. Trust	66	7.0	89	96	—	—	4	100	274
	Gartmore Investment (Scotland) Ltd.									
94	Scottish National Trust	185	5.3	273	55	23	8	14	106	183
24	Glasgow Stockholders Trust	70	4.5	97	55	30	—	15	110	180
	John Govett & Co. Ltd.									
113	Border & Southern Stockholders Trust	75	5.0	110	53	22	13	12	98	190
16	General Stockholders Invest. Trust	170	3.1	216	44	42	5	9	97	187
86	Lake View Invest. Trust	135	4.1	178	47	15	15	23	102	198
87	Stockholders Invest. Trust	136	3.7	188	30	56	8	6	102	195
	Hambro Group									
29	Bishopsgate Trust	80	6.0	119	57	33	6	4	104	219
5	City of Oxford Invest. Trust	92	8.5	122	100	—	—	—	98	272
68	Hambros Invest. Trust	79	6.4	119	50	41	5	4	101	259
7	xRosedimond Invest. Trust	115	—	158	98	—	—	2	114	382
	Henderson Administration Ltd.									
168	Witan Investment Co.	66	4.1	94	45	28	21	6	96	207
30	Electric & General Invest. Co.	107	3.3	153	49	36	9	6	93	189
10	Greenfriar Invest. Co.	156	1.8	208	45	25	21	9	101	252
8	Lowland Invest. Co.	83	7.5	94	87	6	—	7	101	234
	Philip Hill (Management) Ltd.									
13	General & Commercial Invest. Trust	180	7.4	235	67	28	—	5	97	194
28	General Consolidated Invest. Trust	100	8.4	146	63	30	—	7	94	205
160	Philip Hill Invest. Trust	111	7.9	161	72	24	—	4	94	230
7	Moorgate Invest. Co.	154	6.8	151	84	10	—	6	93	293
43	Nineteen Twenty-Eight Invest. Trust	77	8.2	114	54	42	—	4	90	170
	Industrial & Commercial Fin. Corpn. Ltd.									
13	London Atlantic Invest. Trust	88	7.7	110	73	13	—	14	93	247
8	North British Canadian Invest. Co.	98	7.0	118	94	2	—	4	96	†
	Ivory & Sime Ltd.									
94	Atlantic Assets Trust	223	0.6s	306	52	44	—	4	91	371
†	British Assets Trust	91	6.6	†	†	†	†	†	†	†
58	Edinburgh American Assets Trust	90	1.3	117	20	68	6	6	113	224
39	Independent Invest. Co.	130	0.5	139	33	64	—	3	97	†
6	Japan Assets Trust	25	0.0	21	3□	—	97□	—	67	†
†	Viking Resources Trust	89	1.1	†	†	†	†	†	†	†
	Kleinwort Benson Ltd.									
34	British American & General Trust	44	7.7	67	52	32	10	6	96	†
32	Brunner Invest. Trust	72	5.6	99	48	33	8	11	101	236
41	Charter Trust & Agency	66	7.0	100	58	27	8	7	100	194
52	English & New York Trust	84	6.9	125	51	34	7	8	98	†
5	Family Invest. Trust	101	8.5	117	96	—	—	4	102	†
4	Jos Holdings	74	6.6	83	71	15	11	3	105	†
8	London Prudential Invest. Trust	101	6.9	132	63	21	10	6	97	†
67	Merchants Trust	87	6.8	130	52	30	11	7	97	†
	Lazard Bros. & Co., Ltd.									
59	Raeburn Invest. Trust	139	6.5	218	55	31	6	8	96	166
50	Romney Trust	115	6.5	164	30	43	16	11	100	176
	Murray Johnstone Ltd.									
62	Murray Caledonian Invest. Trust	68	*8.4	98	52	27	11	10	105	182
89	Murray Clydesdale Invest. Trust	59	*4.0	89	43	36	14	7	105	174
23	Murray Glendevon Invest. Trust	122	*3.2	174	54	26	9	11	112	177
30	Murray Northern Invest. Trust	74	*3.6	106	33	30	18	19	101	180
100	Murray Western Invest. Trust	75	*4.6	112	46	35	13	6	103	177
	Rivermoor Management Services Ltd.									
131	London Trust Co.	70	7.2	103	58	19	—	23	127	276
17	Moorside Trust	61	8.2	84	51	38	1	10	88	241
39	River & Mercantile Trust	110	9.7	158	72	8	8	12	101	245
	J Henry Schroder Wagg Group									
28	Ashdown Invest. Trust	173	5.1	253	46	42	9	3	95	187
40	Broadstone Invest. Trust	192	5.3	282	47	42	7	4	95	200
65	Continental & Industrial Trust	242	6.5	369	52	43	—	5	97	193
40	Trans-Oceanic Trust	74	4.5	109	36	46	10	8	92	193
	Stewart Fund Managers Ltd.									
99	Scottish American Invest. Co.	129	4.4	171	48	38	5	9	93	243
4	Stewart Enterprise Invest. Co. Ltd.	28	0.0	36	78□	12	—	10	34	†
	Throgmorton Invest. Management Ltd.									
12	x*Throgmorton Secured Growth Trust*	122	—	184	100	—	—	—	—	206
57	Throgmorton Trust	95	9.1	129	98	—	—	2	104	315
	Touche, Remnant & Co.									
138	Atlas Electric & General Trust	81	5.8	120	62	18	7	13	103	231
40	Bankers' Invest. Trust	65	8.6	102	71	18	6	5	100	199
20	C.L.R.P. Invest. Trust	84	6.0	130	56	17	6	21	110	199
40	Cedar Invest. Trust	77	8.5	117	67	13	6	14	98	195
49	City of London Brewery & Inv. Trust	68	9.2	100	92	4	—	4	97	224
37	Continental Union Trust	135	6.6	204	60	21	3	16	106	181
237	*Industrial & General Trust*	66	6.5	102	64	19	6	11	106	207
49	International Invest. Trust	86	6.9	132	73	17	6	4	103	186
68	Sphere Invest. Trust	140	6.4	211	62	24	6	8	108	196
48	Trust Union	68	6.4	101	59	22	8	11	106	206
87	Trustees Corporation	60	7.0	91	71	12	4	13	106	217
	Williams & Glyn's Bank Ltd.									
3	Atlanta Baltimore & Chicago	67	2.1	84	14□	86	—	—	92	142
3	West Coast & Texas Regional	87	2.1	100	12□	88	—	—	93	136
	VALUATION THREE MONTHLY									
107	Anglo-American Securities Corporation	121	5.6	180	56	24	10	10	96	†
19	Dundee & London Invest. Trust	84	6.6	112	72	15	9	4	95	210
4	Lancashire & London Invest. Trust	69	5.5	95	86	8	—	6	86	†
†	North Atlantic Securities Corporation	130	3.0	†	†	†	†	†	†	162
10	*Oil & Associated Invest. Trust*	70	7.1	98	57	38	—	5	96	168
14	Safeguard Industrial Invest.	98	8.5	123	100	—	—	—	98	240
13	Scottish Cities Invest. Trust	266	5.6	365	82	8	—	10	81	†
15	Scottish & Mercantile Invest. Co.	198	7.8	266	88	12	—	—	99	†
19	Yeoman Invest. Trust	108	8.4	151	78	14	1	7	98	224
10	Young Companies Invest. Trust	118	7.3	151	88	4	4	4	94	318

NOTES TO THE TABLE

† No data.
x Split capital trust (capital shares).
* Applies to Ordinary/"A" Ordinary only.
s Does not include special dividend.
□ More than one quarter in non-equity investments.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.

(a) Cols. 1, 3 to 5: Figures supplied by Wood Mackenzie & Co., members of The Stock Exchange. Col. 1 to nearest £1m; Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5: Statistics simulated to date shown based on latest valuations supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4: Based on last declared dividend or firm forecast, plus tax credit, to nearest 0.1 per cent.

(d) Cols. 6 to 9: Percentages of total assets less current liabilities. Currency balances are allocated to the relevant geographical sector.

(e) Col. 10: The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'Investment Trusts today'.

(f) Cols. 5, 11: Prior charges and preference share capital deducted at market value; convertible stocks deemed to be converted; warrants treated as not exercised.

(g) Col. 11: Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the information shown in this column is given in the Investment Trust Year Book. In summary, the figures show the percentage changes in the net asset values over the period assuming that dividends paid, excluding tax credit, were reinvested in the underlying assets of the company.

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	207
F.T.–Actuaries All Share	253
*Standard & Poors Composite	80
*Capital International World	91

*Adjusted for exchange rate changes.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movements between two particular dates. Any particular total return figure may thus be affected by exceptional factors, operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio should be considered in assessing its relative performance.

While the total return statistic, if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability, the statistics of net asset value have been calculated on a uniform basis which may, in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, ie with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes.

PROPERTY

Give-aways to boost sales

BY JUNE FIELD

AROUND £500 towards a landscaped garden, a half-price rail season ticket, and competitions to win a sports car or free weekend in Paris — with these incentives and many more for those prepared to buy new houses, the property market has seldom seemed so good for the new house buyer. And if the new 15 per cent building society mortgage rate is a deterrent, then several builders have fixed the rate at 9½ per cent or 10 per cent for a year or over; and even more developers are prepared to take your old house in part-exchange, which should save stamp duty.

The cash handback for the mortgage has various permutations, however, and you need to shop around. Barratt's promote it as a 10 per cent subsidy on loans up to £25,000, with an "Expenses Paid Plan" towards stamp duty, legal and survey fees, for first-time buyers only. Wates have fixed their allowance at 9½ per cent for all their customers, deducting tax at the rate of 40 per cent, limited to the first £20,000 of a mortgage; and Trafalgar House Group's Northern Ideal Homes, New Ideal Homes and Willett Homes will pay some of the difference between 10 per cent and the recommended standard rate.

The scheme works as follows:

Example:

1—£25,000 mortgage

2—Mortgage rate 15% to 31 March 1982
13% from 1 April 1982

3—Completion of sale 30 November 1981

6-month subsidy payable at completion:	
£25,000 × (15-10%) × ½	625.00
Less tax at 30%	187.50
	437.50
6-month subsidy payable 31 May £25,000 × (13-10%) × ½	375.00
Less tax at 30%	112.50
	262.50
Total subsidy for 12 months	**£700.00**

Moody Homes' incentive is on the first £20,000, also assuming tax relief at 30 per cent, and currently only available at Abbey Fields, East Hanningfield, Essex, where four or five bedroom houses are from £85,450. Mr Donald Moody, managing director of Moody Homes, says: "We have only been able to introduce this scheme by reducing our overheads to a minimum. Prospective new house buyers may be wary of moving home by the thought of higher mortgage rates. By helping them over the initial period, which is also the most difficult financially, we believe that they will be encouraged to trade up and by the time they are no longer covered by our scheme, it is most likely that rates will have dropped."

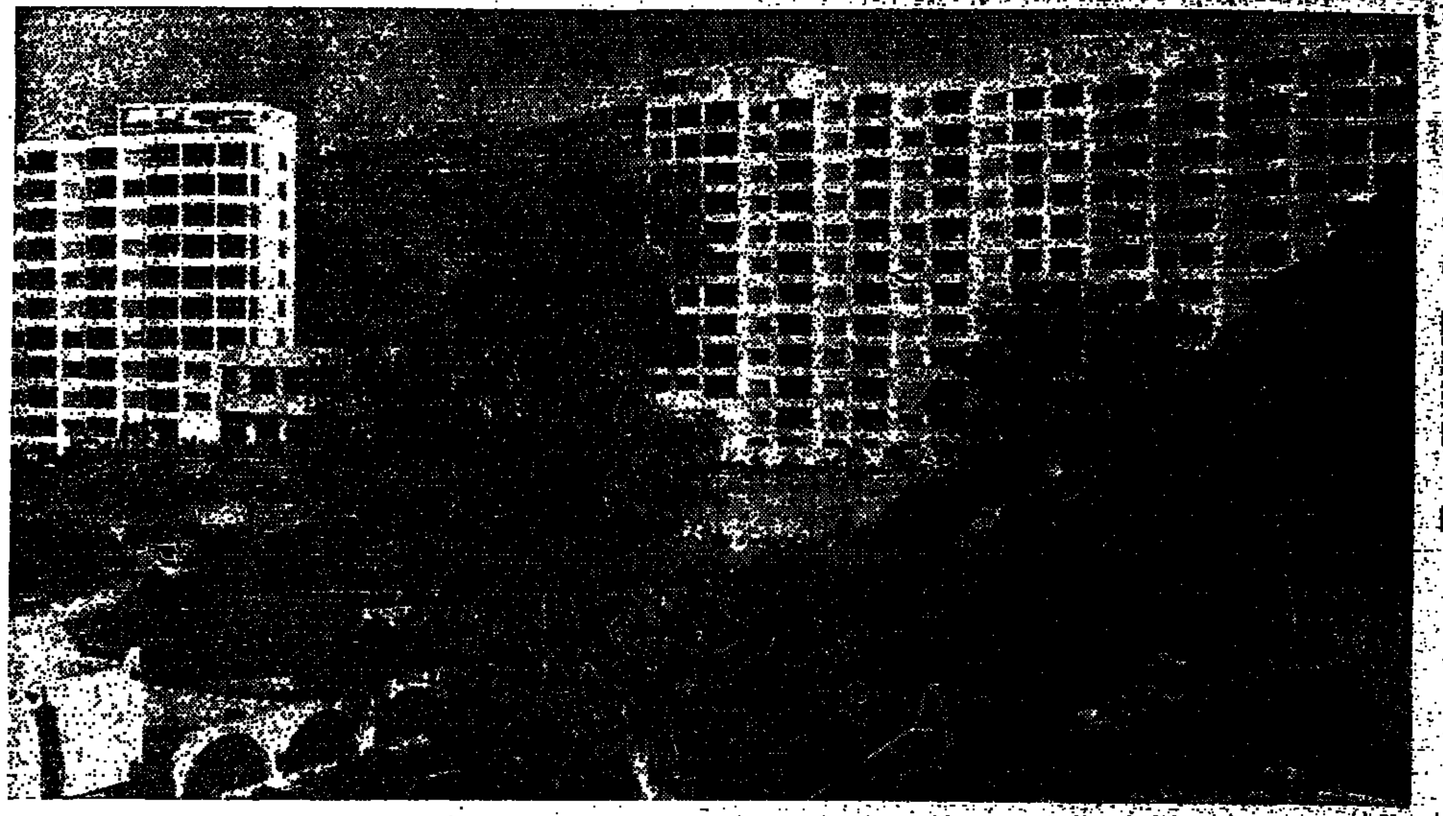
In the Worcestershire property market it is "thumbs down for detached estate houses at the moment," according to Bernard Thorpe and Partners' research director, Mr Robert Langton: "Too many have been built in the area, with more houses than jobs to cater for this sector." Average prices for semi-detached houses in Worcester are £22,500, although for a quick sale the agents recommend dropping £1,000 on the asking figure. Country cottages are always in demand, "a steady little business for the specialist who can renovate to a good standard. Buy one now and do it up in the winter for a spring sale."

The current issue of Midland agents Shipways' *Weekly Property News* gives an indication that if vendors can buy cheap they will also sell cheaper. A three-bedroom centrally-heated bungalow near Alcester has gone down to £35,000, a reduction of £2,000, and at Viceroy Close, Bristol Road, Edgbaston, within a few minutes drive from Birmingham University and the BBC's Pebble Mill, refurbished apartments are from £21,000 with discounts for early completions. (Details of houses in the area up to £130,000 from Shipways' Property Centre, 170, High Street, Harborne, open on Saturdays until 4.30 pm.)

Savills latest *Property Supplement* forecasts a greater turnover of property in the next six months, provided agents improve the service they give to applicants as well as vendors, which means producing better sales particulars: "Details should be short, factual.

● Landscaped gardens' allowance on McLean Homes South East three-bedroom houses, £32,000 to £50,000 through Holmes and Leadbitter, 19 Cornfield Road, Eastbourne, East Sussex: information on half-price season tickets from the new Milton Keynes Central Station (due to open next spring) to London Euston to anyone buying a home for the first time in Milton Keynes between now and the last day of 1983, through Homefinder Centre, 300 Saxon Gate, Central Milton Keynes, 9-5.30 weekdays, 10-5 weekends: "Home of a Lifetime" and property competition details from Mr John O'Sullivan, Prowting Estates, Bury Street, Ruislip, Middlesex.

As they are emigrating to California, the owners of this four-bedroom Georgian house in Tredegar Square, Bow, London, E3, are including as incentives, in the purchase price of £77,500 their 1976 Vanden Plats 1500 Automatic car, plus kitchen equipment, colour television and some carpets and curtains. Details Jackson-Stop and Staff, 14 Curzon Street, London, W1 (01-499 6291)



Euro-Tennis, near Alicante, Costa Blanca, where two-bedroom apartments in a sporting-complex on the beach are for sale from about £24,000 including furnishings, and hotel services. Details Neil King, Alex Neil and Company, 118 Kensington Church Street, London, W8 (01-221 3486)

Who's for tennis?

I COULD have had *paella* and barbecued chicken sent up to the apartment, gone to the gymnasium for limbering-up, to the beach for trampolining, archery, water-skiing and windsurfing, and taken tennis lessons under the direction of Mr Adrian Stonebridge of The Wimbledon Tennis School. This was last week near Alicante on Spain's *Costa Blanca*, and not being of a particularly athletic disposition, I preferred to swim in the pool and sea, relax in the sauna, sunbathe on the terrace and have "two drinks for one" in the happy hour at the Disco-Club. I ate candle-lit dinners with *musica de guitarra* in the hotel dining-room, or *cous-cous* in the little French restaurant down on the harbour in the nearby village of Villajoyosa.

The new Euro-Tennis complex, Swiss run and German-built (I saw it get under way about four years ago) is two blocks with 200 apartments plus hotel service. The blocks are not particularly pretty, but their situation is superb, right *on the sandy beach with the* Aitana mountains behind; and landscaping around the concrete towers with their 17 hard tennis courts has begun, with palm trees already imported from Elche's palm forest near Alicante airport.

About half of the pleasantly furnished two-bedroom apartments, complete with telephone, telex and central heating, all unusual services in Spanish seaside units, have been sold to the German, Belgian, Dutch and French markets. The rest are now being promoted to the British, for about £24,000 as a complete package of apartment, furnishings and service, with a current community charge of 100,000 pesetas per year. While this is higher than some other units along the coast, it does include electricity, heating and water charges, plus the use of the hotel facilities.

If you want to let, then you can either put the apartment into the hotel rental "pool" which reduces the outgoings, or the British agents Alex Neil and Company can probably organise a rental arrangement. Partner Mr Neil King says that he expects potential clients will be sporting enthusiasts, tennis clubs, married couples with young children, and company purchasers for staff incentives.

To see if you like it, spend a weekend there; flight, accommodation and food are £75, refundable if you buy. Details including financial background of the developers from Mr King, Alex King and Company, 118 Kensington Church Street, London W8, (01-221 3486). The company, which belongs to the newly formed Federation of Overseas Property Developers and Consultants, also handles other apartments and villas along the 130-mile stretch of coast to Valencia, and produce a free, informative booklet, *Spanish Property Sales*, which gives education, medical and emigration facts as well as something on legal procedure and taxation.

RACING

DOMINIC WIGAN

LESTER PIGGOTT came away from Ascot recently believing he had ridden a high-class colt in Paradis Terrestre and he will be as disappointed as anyone if that colt fails to make the successful graduation to group 1 company required for today's "futurity."

Paradis Terrestre, a pale bay son of Empery whom Piggott partnered to a long-priced Derby victory, faces 13 opponents in today's Doncaster renewal of the William Hill race. It is a measure of his reputation and the impression he left in a seven-length Ascot win that the Wildenstein colt will go to post a hot favourite. He faces already proven performers in, amongst others, Ireland's Assert, Jalmood and General Anders.

He may well prove capable of following up but the fact remains that the more experienced runners usually tend to have the edge in this daunting mile test, which more often than not goes to a dour stayer in the making rather than to a precocious juvenile. For this reason backers will do well to consider General Anders. Attempting to win this race on his fifth appearance (as was Beldale Flutter a year ago) General Anders struck winning form with a vengence last time time out at Ascot: putting five lengths between himself and Father Rooney in the Mornington Stakes.

Sent into an early lead by an always confident Piggott there, General Anders was in no danger from the home turn the short straight and won with even more in hand than the winning margin. A big rangy chestnut with plenty of scope for further improvement, General Anders is bred to get today's trip better than most. He is by Habat out of the 2,000 Guineas winner, High Top's dam, Camenae, who won over 1¼ miles. General Anders should be available at around 14-1 whereas Paradis Terrestre is expected to go to post at no longer odds than 2-1.

Down at Newbury, where Lord Greystoke challenges for the Hermitage Chase, Swinging Rebel looks worth another chance in the Letcombe Stakes. This much improved miler got badly squeezed for room at York last time where he had no chance of retrieving lost ground in holding conditions. On the international front, tomorrow sees the £100,000 renewal of the New York Turf Classic. April Run takes on the 1980 "Arc" principals in Detroit and Argument.

DONCASTER
2.30—Rollrights*
3.00—General Anders**

NEWBURY
1.30—Lord Greystoke
4.00—Swinging Rebel***

Arab woman at the Marrakesh gold festival

On the Morocco road

TRAVEL

FRANCIS GHILES

MOROCCO is only three hours by air from London yet in many ways it seems further than many more distant lands. The country's proud history, the wealth of its architectural and cultural heritage, a monarchy which is the oldest in the moslem world, all these factors mark it out as something special.

It is a large country and, despite being a French colony from 1912 to 1956, its inhabitants are very inward looking. The wealth of cities to visit and magnificent landscapes stretching from the shores of the Mediterranean to the Sahara is so great that any first time visitor must set himself very clear priorities.

Tours apart, the most rewarding way of visiting the country is to rent a car and move around: comfortable hotels exist in all major cities and while distances can be long (350m km of single track road in the south is no joke) this means of travelling does afford the best sight of the changing landscape.

For those who enjoy abrupt changes of scenery and climate, flying direct from London to Marrakesh, the capital of southern Morocco is a treat, particularly in mid-winter. Marrakesh is at its best during those months, a warm, dry climate and a red walled city dominated by the 13,000-ft snow capped peaks of the Atlas mountains. In summer the mountains which lie about 60 kms from the city are shrouded in a veil of mist.

The strain of tourism is showing in Marrakesh but the charm of the streets of the old medina remains, as does the serenity of the gardens which lie in the oasis surrounding the city walls. At dusk such gardens assume fairy-like colouring, a delicate homage to the splendour of Andalucian and Moroccan medieval culture.

Marrakesh blends many a heady smell: tea, cumin, saffron, people's faces reflect the kaleidoscope of races that is southern Morocco—from black to white, all shades of brown can be found.

For devotees of folk music and dancing, the festival held in June every year is one of the great gatherings of its type. We attended the last evening which brought together in the imposing ruins of the Badia Palace representatives of tribes from all over the country. From the finesse of Andalucian mediaeval dancing to the wonders of a tribe which has specialised in acrobatics for centuries, the range of colour, sound and movement is a feast.

The beat of the drum, a feature of most music in southern Morocco, reminds the visitor that he is much closer here to Black Africa and the old gold route to the Ashanti kingdom than to the Mediterranean, let alone the Middle East.

Marrakesh boasts some very comfortable hotels but unfortunately the Mamounia, made famous by Churchill's and Roosevelt's visits in 1942 has been redecorated and not in the best of taste. For those keen to try local cuisine, which is heavy but very good, the Moroccan restaurant in the Palais Badia Hotel still provides some of the best in the country.

The road up from the city to the 6,000 feet Tizi n' Test pass, about six hours' driving away, crosses some of the most spectacular mountain scenery in North Africa. Berber villages seem to hang from every rock, all built of mud bricks which vary in shade from deep red to light ochre. They look like cubist paintings and fit perfectly against the backdrop of crumbling rocks which rise up to 12,000 feet.

Beyond the pass which, on a clear day commands a wide view of the Sahara desert, the villages become little fortified towns. In most instances they sit just above small clusters of palm trees which lie in the beds of semi-dried up rivers.

Some of these casbahs inevitably remind one of Beau Geste: for mile after mile, up to the city of Ouarzazate, they line the road. It is hardly surprising that many films, including sequences of Lawrence of Arabia, were shot here. No Hollywood magician could build so perfect a setting.

Off the main road which cuts across southern Morocco lie two Saharan valleys, leading up to Erfoud and Zagora. Here the desert encroaches more and more. Beyond Zagora, the sand and rocks stretch, uninterrupted, to the River Senegal.

Travelling from one of the southern towns to the city of Fes in the centre of Morocco is a good day's drive. The variety of countryside is dazzling and when the traveller reaches the ski resort of Ifrane, set high in the Atlas hills surrounded by fir trees and chalets, the illusion is complete. Near Ifrane is a nature reserve which boasts some fine specimens of birds.

Unlike Marrakesh which sprawls over a plain, Fes lies on the side of a steep hill. No car or motorbike can negotiate the steep streets which are still carefully split into quarters and trades. Walking into Fes is like stepping back into the Middle Ages. Unlike its southern sister, Fes is off-white and yellow.

Three hundred and sixty green-tiled minarets dominate the city, the largest of which is that of the Quazawin, one of the oldest universities in the moslem world, founded before Cairo, in the late ninth century.

A real sense of community still pervades the city and even the visitor who knows little of the moslem faith will be moved by the cries of Allah Ahkbar which, chanted by the muezzins from hundreds of minarets, roll across the flat city roofs as the faithful are called to prayer.

Fes also boasts in the Palais Djamai, built around an old vizir's palace just within the walls of the city, one of the world's great hotels. Set in classical Arab gardens where fountains sing and birds chirp, it commands a stunning view of the city. Where better to dream of Morocco's past splendour than on the terraces of the Palais Djamai, drinking some excellent Gris de Boulaouane.

● The cost of an eight day trip to Morocco, assuming the cost of the car is shared between four people would be around £450 per person.

Two week tours of the South and Marrakesh, arranged through Kuoni, will cost £598 all inclusive next winter while cheaper one week tours taking in Fes, Marrakesh and other imperial cities can be booked for £199—but only half board is provided in this case.

The cost of an official guide in Fes or Marrakesh is £5 a day. In most major cities the use of an official guide is essential if only to keep unofficial and rather aggressive young guides at bay.

Half-price 'Rolls'

MOTORING

STUART MARSHALL

THE NEW TYPE S Mercedes-Benz saloons, which for the past year have set an international standard of excellence among top executives' cars, now have their coupé equivalents. The 380SEC and 500SEC models, announced at the Frankfurt Show last month and due on sale here in a few weeks, are in my opinion the best cars of their kind in the world.

A bold claim, but I think no-one who could have sat with me when I previewed the cars in Germany last week would disagree.

Whatever the technical problem, Mercedes-Benz overcome it by inspired engineering. Take something as small as the awkwardness of attaching a seat belt in a pillarless body. In the new coupés, you close the door, turn the ignition key—and an arm extends electrically from over your shoulder, bringing the belt buckle within easy reach.

The seats—leather or velour trimmed to choice—are the most comfortable I have ever encountered in a Mercedes.

A twist of the key and the fuel injected V8 fires instantly, hot or cold. It is perfectly complimented by a four-speed automatic transmission that has the answer to every driving situation, from a city centre crawl to 140 mph on the autobahn, a burst of acceleration from modest speed to a spirited mountain climb.

The power-steering and all-independent suspension are just about faultless. The big car seems to shrink in size by the minute. The ride is supremely comfortable over every kind of road yet you don't lose touch altogether with the outside world. You know the kind of surface the tyres are rolling over. Not that this is as critical to a driver's peace of mind as it is with lesser cars than the new Mercedes coupés, because roadholding and handling are in the super-sports car class and the anti-lock brakes extremely efficient.

The weather was appalling. Wet country roads were being made even more slippery by dollops of mud that fell from beet-laden farm trailers. I chose a tight S-bend, approached it at 60 mph and slammed the brakes hard on. As the car slowed, I steered it left and right as easily as if it were being driven normally through the bend on dry roads.

On the autobahn, there was enough feel of the surface through the steering to convince me that the tyres were nowhere near aquaplaning point. A look in the mirror; no traffic in sight. A panic stop at 135 mph; the car simply slowed very quickly in a dead straight line, a slight pulsation through the pedal indicating that the ABS anti-lock system was doing its good work.

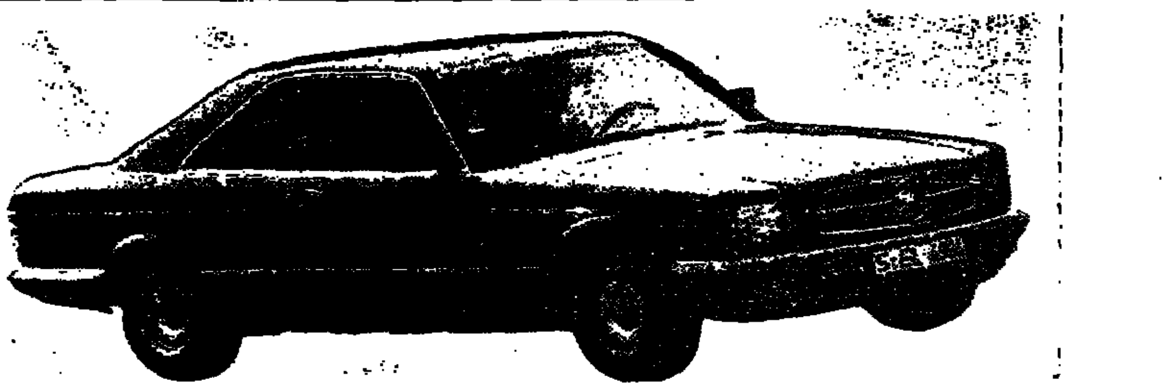
For their size, and especially for their engine capacity, the 3.8 and 5-litre coupés are astonishingly economical. If due regard were paid to UK speed limits, they would return around 26 mpg or 24.5 mpg in normal use. That is because Daimler-Benz, though confident that big cars will remain in strong demand for many years, know they must be fuel-efficient. So for the past year, they have been "drying out" their largest V8 engines. The main principle has been to make them run as slowly as possible, whether idling in traffic or burning up the autobahn.

Overall gearing is ultra "tall" at over 30 mph per 1,000 rpm in top in the 500SEC. The sophisticated automatic transmission gets into the highest possible gear as quickly as it can, consistent with the driver's demands. But, if you need a sudden burst of acceleration at low speed, the transmission kicks down instantly—and jerklessly—from top to second, third to first. Waiting for the lights to change in town, the 500SEC and 380SEC use less than half as much petrol as the earlier V8 New S Types because the engine idling speed is held down to a mere 500 rpm.

They are large cars, only a few inches shorter than the New S Type saloons on which they are based. (The New S Types have also been given all the coupés' fuel saving innovations.) Their bodies are elegant, devoid of the projections that make for wind noise and they stay clean in the filthiest weather. Legroom in the rear is less generous than that of the saloons, but the back seats are easily reached and the boot is enormous.

When the cars reach Britain the 380SEC will cost £25,700, the 500SEC £28,700. Equipment will include cruise control, alloy wheels, limited slip differential, electrically adjustable front seats and door mirrors, electric windows and sunroof. The 500SEC has air conditioning and ABS anti-lock brakes as standard; they are extra-cost options on the 380SEC.

A lot of money for a car. But even the 500SEC is little more than half the price of a Rolls-Royce Silver Spirit.



The new Mercedes-Benz coupes, with 3.8 or 5-litre V8 eigines. Speed and supreme safety goes hand in hand with a moderate thirst

Motorfair novelties

Quite apart from the family attractions (radio controlled model car racing, for one thing) a number of new models are to be seen at Motorfair, which is now at Earls Court and closes next Saturday. They include the Frazer, a fanciful adaptation of the Mini Metro; the South Korean Hyundai and the Jugoslavian Zastava for budget-conscious buyers; the Griffiths Sunchaser (a Toyota-based soft top) and the ultra compact Daihatsu Domino. BL's excellent Triumph Acclaim and General Motor's equally admirable J car (the Opel Ascona/Vauxhall Cavalier) will be making their first apearance at a public show. Half a million visitors are expected and the best way to get to Earls Court is by Underground.

New light on old bulbs

GARDENING

ARTHUR HELLYER

ONE OF THE most remarkable books on bulbs to come my way since Patrick Synge's "Collins Guide to Bulbs" appeared in 1961 was published this week by Pan Books price £6.95. It is called "The Bulb Book" and the text is by Dr Martin Rix who was, until recently, botanist to the Royal Horticultural Society.

Not that this new book is aimed at botanists. On the contrary is it intended primarily as an authoritative and exceptionally well illustrated guide for enthusiastic amateurs; but I feel sure it will also appeal to many people who like to look at wild flowers while they are travelling abroad. Pictures actually occupy more space than the text. There is scarcely a page that is not illustrated, pictures even extending to introductory and title pages, and they are all in colour.

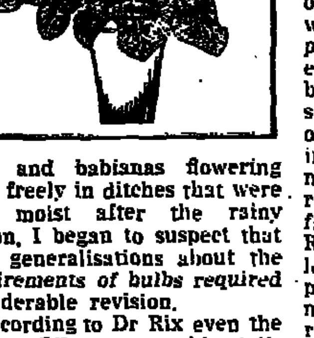
These illustrations are also unusual in character since many of them show the whole plant lifted complete with flowers, leaves, bulbs and roots and an indication of the degree to which they differ from life size and the date on which they were taken. They are therefore exceptionally useful for identification as they depict most accurately all the characteristics of each plant. Many of the other pictures show plants in the wild and so indicate the natural conditions under which they grow. The majority were taken and all were organised by Roger Phillips and are considered by the publishers so important that his name appears on cover and title page as co-author with Dr Rix.

Apart from a short but adequate opening section on the general characteristics of bulbous rooted plants, their collection and conservation (and the two are very closely linked), bulb cultivation in gardens, propagation and the identification and control of pests and diseases, the text follows the pictures page by page so that one can look at each plant at the same time that one is reading about it. The botanical name of each plant is given in full and also any synonyms in common use. Descriptions, though necessarily brief, are, with the pictures, completely adequate. Information is also given about the conditions in which each plant grows in the wild and where best to grow it in a garden.

The sequence of plants is as original as everything else about this book since it is neither alphabetical nor arranged according to botanical relationship but follows the seasons when the plants are in flower, starting with snowdrops in January and closing with Roman hyacinths and Paper White narcissi for Christmas.

At first I found this a little confusing as it means searching for some plants of the same kind on different pages. For example the late winter and spring flowering hardy cyclamens, such as Cyclamen coum, C. persicum and C. repandum, appear on Pages 35-37 whereas the summer and autumn flowering kinds, such as C. hederifolium and C. purpurascens, respectively more familiar to most gardeners as C. neapolitanum and C. europaeum, are on Pages 178 and 179. However, an excellent index makes it easy to find any plant one wants and since over 800 are described it is unlikely that the search for any kind hardy in some part of Britain will be in vain. Completely tender bulbs are not included.

To me one of the most interesting discoveries in this book is the frequency with which abundant moisture is stated to be essential to success, at any rate at some period of the year. I think most people think of bulbous rooted plants as being well able to cope with dry conditions and it is certainly true that many can do so for limited periods, which is precisely why they have developed bulbs, corms or tubers as storage organs. But from the time I first visited South Africa and found crinums growing in or beside streams, arum lilies and chincherinchees (ornithogalums) thriving in bogs and babianas flowering most freely in ditches that were still moist after the rainy season, I began to suspect that such generalisations about the requirements of bulbs required considerable revision.



According to Dr Rix even the Kaffir Lily or schizostylis requires moist soil which explains why I lost nearly all my plants in the dry summer of 1976 for they were growing in a very freely drained place. I must add that since then it has begun to thrive again with little assistance from me but has chosen a different place which gets much moisture when the sprinklers are at work.

Another statement that is new to me is that some bulbous rooted plants are now more at risk from over enthusiastic collectors than from any other cause. The beautiful gentian blue Tecophilea cyanocrocus, which once grew wild at altitudes of around 3,000m in the Cordillera of Santiago, Chile, is now apparently extinct or nearly so because of the greed of collectors. A new species of sternbergia, only described for the first time in 1978, has, according to Dr Rix, already appeared in hundreds in the nurseries of some specialist bulb growers despite the original warning that it had a very restricted distribution in the wild.

Dr Rix explains how some plants, like the alliums or onions, protect themselves from wild animals by their unpleasant taste; others, like the eremuri of fox-tail lilies, do it by covering their leaves with slime, and others, such as some of the fritillarias, by growing in inaccessible crevices. But nothing except knowledge and restraint can protect any plant from the ravages of man. Dr Rix further suggests that collectors should, wherever possible, take only seed but, if none is available, should restrict themselves to three bulbs only of each kind. One bulb, he explains, may prove a dead end but 20 bulbs are no more likely to do well than three.

I suppose it is because tulips are so often planted in formal beds in gardens that one thinks of them as rather sophisticated, man-made flowers. Of course a good many garden tulips are just that but it is arresting to see, in one of Roger Phillips' photographs, a gay yellow and red tulip looking as debonair as any garden variety growing in the wildest imaginable conditions among scrub, rocks and melting snow in a high valley of the Chimgan Mountains in Central Asia north-east of Tashkent. I was in that area a few years ago but was probably too late for the tulips for we found none though there were many other fascinating plants.

FINANCIAL TIMES REPORT

Andorra

Andorrans enjoy a very high standard of living thanks to the state's tax-free status and an economy thriving on sales of duty-free goods. Their success is a precarious balancing act, dependent on external demand and the tolerance of French and Spanish Customs. But the people have skills based on centuries of experience, in maintaining their peculiar position.

Robert Graham, Madrid Correspondent, reports.

Outsiders hold ultimate power

SET IN the heart of the narrow valleys of the Eastern Pyrenees, Andorra has survived the vagaries of European history, ancient and modern, for more than 700 years.

Today it stands in many respects similar to when the feuding medieval regional powers — the Bishop of Seu d'Urgell in Spain and the Count of Foix in France — decided to accept co-responsibility and co-sovereignty in 1278. The French head of state and the Bishop Seu d'Urgell still have the ultimate say in what happens here, making Andorra one of the most curious and exotic mini-states in the world.

Part duty-free supermarket, part glorified city-state, run by city fathers with the minimum of regulation, Andorra's survival depends upon the benevolence of neighbouring France and Spain. Andorra's inhabitants are among the most privileged in Europe, enjoying an exceptionally high standard of living thanks to the absence of taxes and an economy that has thrived on the sale of duty-free goods.

Andorra in many ways defies the attributes of a modern state. The governing body, the Consell General, has no responsibility for foreign policy, administration of justice or internal order. The latter responsibilities rest feudally with the two co-princes, President Mitterrand and the current Bishop of Seu d'Urgell via their delegates. There is no separation of powers and very few written laws or statutes. (A detailed outline of Andorra's government and history is given in a separate article.)

To take just one example of this curious state of affairs, Andorran postage stamps are known worldwide. Yet Andorra itself has no postal service. This is assured jointly by France and Spain, and all letters posted inside Andorra to Andorran destinations are free of charge. These quaint anomalies give rise to a Ruritanian image which the Andorrans themselves bitterly reject.

The nature of Andorra is striking, however. There are, for instance, no trade unions or political party. Politics are based round the seven parishes which make up the Principality and the Consell has never deemed it necessary to permit organised political groupings. (A progressive grouping, the Andorran Democratic Party, is still unrecognised.) Meanwhile the Bishop of Seu d'Urgell recently found himself having to give indirect endorsement to the idea of unions after the Pope had declared — in relation to Poland — the value of permitting labour to be freey organised.

Yet another curiosity is the way in which Catalan has been adopted as the official language —the only state in the world to do so. Yet the basic language of schools is either French or predominantly Spanish, with Catalan only being taught a few hours a week. The French schools observe a midweek break on Wednesday, the Spanish on Saturday.

Perhaps a more important phenomenom is the domination by foreigners of the population. Native-born Andorrans amount to only 5,476 or 15 per cent of the 35,460 population. Naturalised Andorrans account for a further 3,316, but 57 per cent of the Principality's inhabitants are Spanish immigrants. The rest are a polyglot mix of French, Portuguese, Germans, Dutch, British (largely retired ex-colonials), Moroccans and Indians.

Apart from those who have retired to this Pyrenean mountain retreat because of its tax-free status, immigrants have been attracted to Andorra to work in the construction and service sectors. The closest parallel to Andorra's socio-economic composition is one of the Gulf states, where citizenship is prohibitively difficult to obtain. Apart from the immigrants, there are three classes of Andorran: naturally born, those who marry an Andorran, and the children of immigrants who have lived there a long time.

Andorra's population has expanded rapidly since the late 1950s. In the past 30 years it has more than quadrupled. In 1970 the total population was a mere 19,545. Immigration and the higher birth rate of immigrant residents have accounted for the population explosion. This immigrant influx was stimulated by the sharp expansion of the Spanish economy, which in turn created an increasing demand for the cheap goods on offer inside Andorra. Moreover the high degree of protectionism of the Spanish economy was a natural stimulus to smuggled goods from Andorra or for day visitors to make household purchases.

Today, Andorra's servicing of the Spanish economy, either through sales to visitors or illicit cross-border traffic (a polite word for smuggling) continues to be its basic *raison d'etre*. There is, however, an important swing towards encouraging people to stay longer, utilising Andorra as a ski resort or for summer mountain holidays taking advantage of its beautiful Pyrenean landscape.

Andorra's boom, which has defied the recessionary movement in the West since the 1973 oil price rises, nevertheless continues to be a precarious balancing act. The boom comes from trade. Yet the trade is based on external demand — 80 per cent Spanish and the rest mostly French. There are no official statistics but Andorran imports are worth around $600m a year. These are nearly all re-exported on the basis of the tolerance of French and Spanish customs — in particular the latter who justify or rationalise their cursory inspections by a belief that Andorran money is ploughed back into Spain.

Meanwhile, to support this trading activity and the construction boom which has followed, Andorra has been obliged to resort to massive imports of non-Andorran labour. In addition to the declared resident population there are perhaps 3,000 illegal workers (mostly Portuguese) and some 1,200 who live inside Spain but cross the frontier daily.

The population question arouses the most passions, and in many respects lies at the heart of the future development of Andorra. The continued imbalance risks creating resentment against the Andorran citizens (who, incidentally, at the age of 21 have to pass an exam on Andorran history and customs).

It also makes the Andorrans unnecessarily defensive. Their view is fairly chauvinistic: the immigrants didn't have to come to Andorra and are free to leave if they wish. Change is inhibited by the fears of the immigrant population who, on their own admission, have done well at all levels in monetary terms and are unwilling to prejudice this situation.

Thus there is an Association of Spanish Residents (ARA) which is subsidised by the Spanish Ministry of Labour but which only timidly presses the issues of rights of immigrant works. ARA does not want to be seen as a pressure group. Indeed ARA's prime complaint is with the Madrid Government which refuses to provide similar social security facilities on return to Spain as it does to other Spanish communities abroad.

Less emotive but no less significant is the question of adapting Andorran Government to the increasingly complex needs of the Principality. Andorra has survived on a limited constitutional framework and a slim body of law because it has been such a small isolated community. The Consell, an instrument of merchant interests, has permitted the laisse-faire development, ruining often exceptional scenic beauty and turning the urban areas into ribbons of supermarket-style stores that crowd the small main road running through the Principality.

Recently, efforts have been made to rationalise construction licences — a step in the right direction. However, commercial practice remains a jungle of uncertainties and private gentleman's agreements. Nothing has ben heard of an effort to introduce a proper company law since 1973.

Reform is all to easily blocked by the existence of the two co-princes as ultimate arbiters of Andorra's fate. Opposition to reforms like the introduction of company law can be lodged with the co-princes who invariably demur or procrastinate. In the case of the Bishop of Seu d'Urgell, this is complicated by the Bishop being theoretically responsible to Rome when in effect he is expected by the Spanish Government to defend Spanish state interests.

A new element has now entered into play with the granting of autonomy to Catalonia. The valleys of Andorra face south towards the Mediterranean (you have to climb up over 2,000 metres via the Pas de la Casa to reach France) and the prime Andorran contact is with neighbouring Catalonia. Andorra has since World War II complemented the Catalan economy, or played as one commentator called up, the role of "the Hong Kong of Catalonia." Catalonia has been warned off any formal contacts by Madrid, but this is not the last word.

The two co-princes agreed earlier this year on judicial reform and to work towards the separation of powers of the judiciary and the police. So far nothing has been formalised. The two co-princes, or rather France and Spain, have shown little interest in altering the status quo.

For both countries in the past 50 years Andorra has served as a useful political refuge for all sorts of persons of differing ideologies. Andorra has a remarkable record in receiving Spanish Republicans and Nationalists, French Nazi collaborators and escaping allied soldiers.

Andorrans would like to be more assertive against the co-princes' hegemony. The kind of tensions that exist are well illustrated by the present battle over radio transmissions from Andorra. A former Nazi collaborator in France obtained, with Spanish Government backing, a concession to run a Spanish-speaking radio, Radio Andorra. This was matched by a similar concession for a French station. The two radios were given wave lengths on the basis that they were transmitting not merely to Andorra but regions on either side of the border.

Radio Andorra's concession ran out this year and the Andorrans want to run it themselves, but to do this would involve a much smaller transmission area. It would also further influence the rights for up to five TV channels which have been granted to Andorra.

The Andorrans, in asserting their claims to greater national control, appear to be pushing their luck. However, traditionally they have shown remarkable finesse in understanding the exact limitations of their own peculiar position — a skill which has enabled them to survive and prosper.

Treaty in force for 700 years

IT IS impossible to understand the idiosyncrasies of present-day Andorra without delving deep into medieval history. Andorrans proudly look to Charlemagne as the first ruler to recognise their existence. In 790 he rewarded them for having safely guided the imperial army through the rugged valley's of Catalonia by granting them independence. The Principality's national anthem refers to "the great Charlemagne my father."

The real shape of Andorra, however, its peculiar system of government and the rights enjoyed by the two co-princes, the President of France and the Bishop of Seu d'Urgell, dates from September 8, 1278.

On that date, after lengthy arbitration, a remarkable document was signed between Pere d'Urg, Bishop of Urgell, and Roger Bernat III, Count of Foix. Known as a "pareatge," it was a remarkably sophisticated arrangement by which the Bishop and the Count agreed to bury all contentions over the valley's of Andora in perpetuity.

It stipulated that a tribute be paid to the Church and the Count alternately. Justice was administered jointly. At the same time the Count agreed to render homage to the Bishop—but without submitting himself to the latter's formal authority. The Andorrans for their part promised military allegiance to their co-lords, except in the case of a conflict between the two.

It was a sort of gentleman's agreement on spheres of influence, which the wily Count at first sought to exploit. This led to a second pareatge in 1288 which reinforced the mutual balance of power. Among other things it stipulated that neither lord could construct a castle without the other's consent and each had the right to appoint a notary of their choice in Andorra.

These agreements put an end to the "grave damage caused by both sides, such as men wounded and killed, castles destroyed, limbs mutilated and many other damages and almost indescribable misdeeds." Over seven centuries later these agreements are still the basis of Andorra's existence.

While the Bishop of Urgell has held in his own right uninterrupted by the position of co-prince of Andorra, the French side has followed a complex web of dynastic marriage and inheritance through the House of Foix to Henry of Navarre, who became Henry IV of France. The French Crown then became co-prince. This link was severed in 1793 as a result of the French Revolution but restored by Napoleon in 1806 at the request of the Andorrans.

The two co-princes have their own representatives in Andorra, known as "vegeurs." The best analogy of the vegeur is as a sort of latter-day consul of the Roman Empire. They have control over all matters of public order and administration of justice, and are responsible for the conduct of Andorra's international relations, in addition to co-ordinating relations between the two co-princes.

The co-princes themselves delegate their functions. In the case of the French Head of State it is now the Prefect of the East Pyrenees and with the Bishop it is the Vicar General of Urgell diocese. It is important to underline that the Bishop is appointed by Rome and not by the Spanish Government —even though in many instances the vegeur acts as a channel for communication with the Spanish Government. Nor does the Bishop necessarily follow Spanish Government policy.

The Casa de la Vall, ancient seat of the Consell, the Government of Andorra.

Indeed the Bishop has more power in Andorra than has Spain. For instance, he can ban "socially harmful" magazines (Lui is banned), and he had ensured that no form of civil marriage is accepted, let alone divorce—both of which are now permitted in Spain.

There are close contacts between the vegeur's office and Madrid on such things as security. Members of the Guardia Civil are employed there in plain clothes—as are gendarmes in the French vegeur's office. Each vegeur appoints a judge ("batlle") to preside over a criminal court applying a mix of Roman and canon law and a good deal of precedent. The judges also have civil jurisdiction and Andorrans can appeal in the last instance against any of their decisions to either of the two co-princes. At the same time the Andorrans can appeal against any legislative moves by the Andorran governing body, General Council or Consell General de les Valls.

The Consell stems from an earlier body formed in 1419 and now comprises 28 members elected by universal suffrage from the Principality's seven parishes. Women got the vote in 1970. The members then chose a chief representative, or sindic, for a three-year term. Though he receives a stipend this is not a full-time job. The Consell has full competence to deal with all administrative matters.

هكذامن الأحول

From poverty to riches

IN JUST over 40 years Andorra has been transformed from the most inaccessible and backward state in Europe to its position among the most prosperous.

The Principality's prosperity has sprung almost exclusively from its special custom-free status straddling France and Spain. The Spanish connection has been especially important, as an outlet for goods, as a source of skilled and unskilled manpower and in providing capital. The expanding, but highly protected, economy of Spain in the 1960s and 1970s was a natural stimulus to the development of Andorra's commerce—helped in good measure by a highly tolerant attitude on the part of the Spanish customs.

Andorran statistics are either rudimentary or non-existent. Ultimately one has to rely upon French and Spanish figures and guesswork. The only attempt to analyse the Andorran economy was a study, published in 1975, by a group of Catalan economists for the Consell General, the Andorran Government.*

This study concluded that in 1972 Andorra, with a population of 23,000, had a per capita income of $2,600, just below that of France at that time. Now, with a population of 35,460 and an average annual growth in the economy over the past 10 years of 6-8 per cent, per capita income could be close on $5,000. Ten years ago commerce and tourism generated 42 per cent of national income and provided almost half total employment. The proportion is now thought to be higher, although construction has also expanded in importance.

Historically, Andorra's resources have been limited. Only 4 per cent of its total land area may be cultivated, and this is squeezed into narrow valleys or on the sides of steep mountains. Traditional crops have been potatoes, some fruit and tobacco with cattle and livestock farming on a small scale. This, coupled with some smuggling, provided subsistence for these hardy mountain people, who live at altitudes of between 1,000 and 2,000 metres.

The first step into the 20th century came in 1929 with the creation of a joint French-Spanish private electricity company, Fhasa, to make use of the abundant hydro-electric power. This, in turn, led to the construction of the first road, linking Andorra La Vella, the capital, to Seu d'Urgell, the seat of the Spanish co-prince, and then to the French border.

The beginning of the Spanish Civil War in 1936 saw an influx of right-wing and liberal Catalans, anxious to escape the Republican zone. With the defeat of the Republicans, Andorra welcomed a number of Republicans with their capital fleeing Franco's Spain.

The Civil War was the catalyst for the rise of Andorra's commercial role, aided by its neutral status throughout World War II (of particular importance during the Nazi Occupation of France). Since then Andorran development has been tied to the gradual improvement in road communications with France and Spain and the rise in Spanish purchasing power.

In the post-war years and through the 1950s contraband was important—and a lifeline to the Catalan industrialists (much of Barcelona's early neon lighting came via Andorra), but the purchases by day visitors subsequently complemented by the development of Andorra as a commercial centre, changed the picture. Today smuggling contraband still continues but fewer and fewer are willing to carry loads over the mountain passes and the cost of this form of transport is becoming increasingly unattractive.

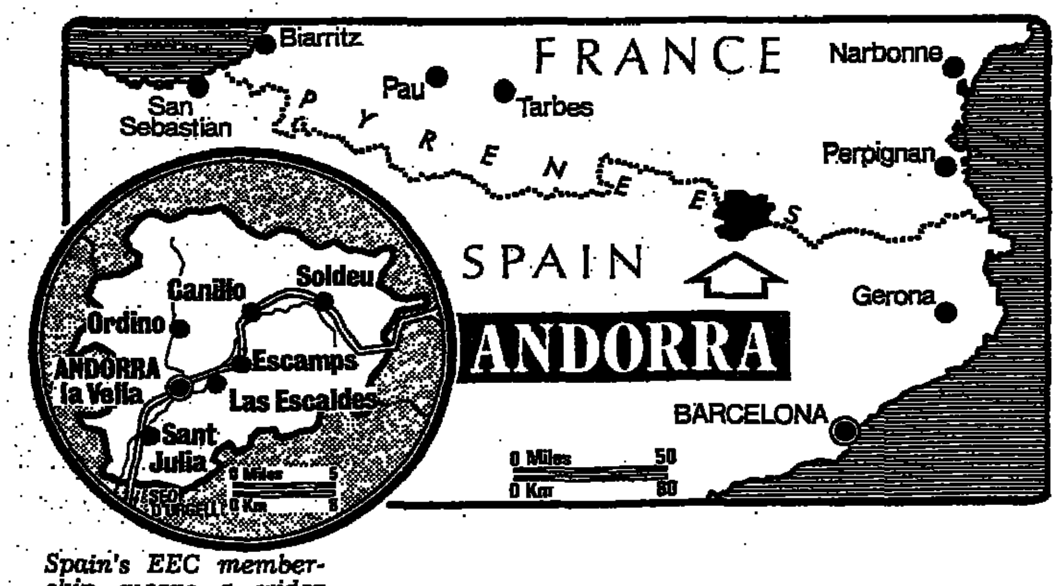
This is especially the case in transporting whisky and cigarettes which are now carried by jeeps. Other items smuggled include gold, jewels, jewellery, colour televisions, and electronic spare parts. With almost 13m visitors a year, however, and two-thirds of them from Spain, the merchants have realised it is on the whole simpler and just as profitable to sell the goods they have imported within Andorra and rely on the tolerance of the customs.

The scale of business transacted has to be culled from Spanish and French customs since Andorra has no trade figures. Imports via France in 1979 were worth FFr 933.8m ($166m), up by 41 per cent, and almost seven times the amount imported in 1970. For the same year imports from Spain were worth Pta 8.5bn ($89m), up by 25 per cent but almost 10 times the level in 1970. Last year imports from Spain were Pta 10.9bn and the first six months of this year show figures at a similar level.

These figures, however, exclude goods imported from Third World countries, such as Japanese electronic equipment, cameras and so forth, plus whisky and cigarettes which are among the main items sold. The bulk of these goods come through France, which in this respect has been more active in catering to Andorra's needs.

These Third World imports are believed to be worth over $300m. Thus total Andorra imports are believed to be around $900m, but this is not reflected in what French and Spanish customs record as imports from Andorra.

Imports by Spain in 1979 were Pta 270m, under $3m, and by France FFr 22m, under $5m. The answer to the riddle of the disappearing dollars, is that the goods are taken out by visitors, on whom only the most cursory control is exercised. The Spanish openly tolerate purchase of duty-free goods—apparently on the assumption that at least part of the money spent in Andorra returns to Spain.



Spain's EEC membership means a wider choice of consumer goods and therefore removes one of the main reasons for Spaniards visiting Andorra. The Principality is hoping to expand its tourist industry to compensate and ski-ing holidays are being promoted in an effort to persuade visitors to spend longer in the country

In Andorra no control exists over the type of imports and, since 1950, the Principality has applied only minimal *ad valorem* taxes, which now amount to between 2 and 9 per cent. The main cost to the importer is freight and stocking.

There are reckoned to be about 10 to 15 large merchants who either act as importers and wholesalers or who also have integrated retailing operations. Arguably the biggest is the Perez family, with the largest department store operation, Pyrennes, plus key motor concessions and real estate interests. In general, retailing is still carried out by small-sized family shops. Foreigners are not allowed to own more than one-third of a business, but this is frequently circumvented by the practice of taking on sleeping Andorran partners, "*prestanombres*."

Apart from commerce, wealth has come from considerable land speculation. The scarcity of construction sites in the narrow valleys has led to astronomical land prices. Hotels and restaurants have also begun to play a role. There are now almost 250 hotels, many of which are geared to the skiing trade.

The Consell plays little role in economic development and management. This can be seen from the budget. Total expenditure this year amounts to Pta 3.7bn, of which almost 40 per cent is being spent on infrastructure, and only 15 per cent on education and 7 per cent on social welfare. Receipts add up to Pta 3.19bn, leaving a Pta 530m deficit to be covered by borrowing.

There are only 22 listed receipts (including reimbursements for the use of ambulances) and of these the *ad valorem* on goods produces 60 per cent, Pta 1.9bn. A petrol tax of Pta 19 per litre brings in another Pta 1bn. The rest comes from various stamp duties, sales of stamps and payment for the radio and hydro concessions. There is a separate social security institution, recently introduced.

The way is wide open for increasing the fiscal base, but the authorities seem as reluctant to do this as they are to introduce elementary measures such as a register of property, or any company law. The greatest sign of movement has been a series of curbs on construction activity and an informal halt to the registering in private of new companies.

The all-absorbing passion is the issue of immigration and Andorran nationality. Perhaps it is not surprising, given that three-quarters of the workforce is non-Andorran. The workforce's foreign element is made up mainly by Spaniards but includes Portuguese (also believed to be the largest illegal presence) and Moroccans.

The Andorran attitude towards immigration and nationality is expected to continue to be restrictive, if not stepped up, thus preserving a small workforce. The level of immigration is one of the key elements that will determine the pace of future development.

The other important factor will be the state of the neighbouring French and Spanish economies. Andorra has, until now, been remarkably insulated against recession, but this year for the first time construction activity has levelled off. Spanish customs figures show a stagnation in the sale of construction materials to Andorra, and the number of Spanish visitors is also down. In the first eight months there were 6.4m visitors passing through the frontier at Seu d'Urgell—a drop of almost 25 per cent.

Another impediment to development continues to be communications. Andorra can only be reached by road: four hours from Barcelona and three from Toulouse. A privately sponsored airport has been built on the Spanish side at Seu d'Urgell, but has yet to be inaugurated due to administrative squabbles. However, this is thought unlikely to change much.

Finally, Spanish membership of the EEC will mean a painful process of re-adjustment for Andorra. The bringing down of Spanish tariffs barriers will provide the Spanish consumer with a much greater choice of goods, which in turn will remove one of the main reasons why Spaniards have gone to Andorra. Andorra will then be left to compete only through price and the benevolence of frontier customs.

This prospect has led to talk of diversification, but realistically this is limited to better development of tourism. The potential exists in the Principality's scenic beauty and its weather, which makes it suitable for both winter and summer visitors. However, the Consell has yet to get round to classifying hotels, controlling their siting or studying seriously the type of market it wishes to cater to. The thrust of all such development so far has been to attract middle and lower income groups and to allow a limited number of Europeans to take advantage of its tax-free status to retire.

**Estructura I Perspectives de l'Economica Andorrara, J. M. Brical et Al. Editions 62 SA, Barcelona 1975.*

Tourists take pride of place

THE WEEKEND is virtually an unknown institution in Andorra. Everything is tailored to the tourists' needs, so the shops and services are open seven days a week all year round. Only the banks close on Sundays. What's more in many instances the shops are open from nine am to nine pm with an hour's break for lunch. The bigger commercial centres are open all day and the weekends are the busiest times.

The only aspect of Andorra not geared to the tourist is parking. Development has far outpaced the Principality's capacity to absorb the number of cars and buses that pour in, and during the height of the summer it is almost impossible to find space to park on the streets or close to the main centres after 11 am. Visitors should also be warned that at the weekends the queues of cars on the Spanish side can be very long. Even now, in autumn, over 300 buses cross the frontier at the weekends.

The Principality's shopping centres are all along the road connecting France to Spain—Andorra la Vella, Las Escaldes, Escamps, Pas de la Casa and Sant Julia. The latter is close to the Spanish frontier and the former is just below the main pass leading into France and literally right on the Andorran-French frontier. It has all the air of a frontier town and is nicknamed by the locals the "far west." These two places have grown up almost exclusively to cater for people to hop across the border, load up their cars and drive off. However, the greatest selection of goods available can be found in the capital, Andorra la Vella, and in neighbouring Escaldes — places that with their hotels and restaurants cater to the visitor who stays more than a day.

The items that shoppers usually buy fall into three categories: foodstuffs and drink, clothes and electronic goods. The foodstuffs essentially appeal to the Spanish because of the substantial cuts in prices of dairy produce, especially foreign butter, chocolates, biscuits and preserves. Wines and spirits roughly follow airport duty-free prices, perhaps marginally higher.

In clothing there is a large selection of all the major French names: Dior, Cacharel, Cardin, Ted Lapidus, Newmann, Saint Laurent. Here the prices are between 10 to 15 per cent lower than in France, but the goods sold under these names are not always of the first quality.

There is a dizzying selection of electronic goods: radios, stereo equipment, TVs and other electronic gadgetry. This is arguably where the best bargains are to be found but where the greatest problems with customs could occur. The main Japanese and international names are available. Here again the goods available tend to be in the cheaper range.

The are also heavy stocks of cameras and film and they are priced just below airport duty-free levels.

Confronted with the array of goods in shop windows most visitors react like a shopper at a sale: "bargains galore" is the immediate thought. However, it is worth comparing prices in different stores and to look around as much as possible first.

There is no price control as such in Andorra, but the bulk of the store owners obtain their goods from a small number of wholesalers and importers, who often have exclusive contracts with outside manufacturers. Thus there is little room for manoeuvre in price differential. Shop margins are said to be high and often on reflection goods are not as cheap as they first seem—though a lot depends upon what currency is used. The shops operate primarily with pesetas and francs and, as hard currency is much in demand, the rates paid for dollars, D-marks and sterling are slightly above the normal.

Buyers need have few worries about declaring or paying duty on foodstuffs and clothes bought (except perhaps a fur coat). With drinks there seems an unwritten acceptance on the Spanish side of the frontier of at least two bottles of spirits per person. The French are a little stricter, but visitors frequently talk of only the most cursory inspections being made and up to a dozen bottles being waved through. (Inspections of buses are said to less rigorous than those of private cars).

There is stricter control of electronic goods but when these are declared much seems to depend on the time of day and the mood of the customs officials. Certainly, fear of being stopped by the customs inhibits few people.

Duty-free bottles by the thousand in the country's largest depot store at Andorra La Vella, the capital

Bankers forced to tread a careful path

ANDORRA IS a banker's dream. No monetary authority exists to exercise formal control. Profits are tax free and the community is small enough for everyone to know each other well. To this one should add that banking is an extremely profitable business.

Yet, despite the enormous potential freedom of operations banking is highly conservative and the bankers act largely in concert, afraid not to lose the support of the Consell, the Andorran governing body, or alienate the powerful neighbours of France and Spain. To retain the support of the Consell is not so hard since those represented in this body have traditionally had links with at least some, if not all of the banks. However, the preservation of good relations with the monetary authorities in France and Spain has meant on occasions walking a careful tightrope — especially just before and after the death of Franco when there was a flight of Spanish capital through Andorra.

The biggest single control of the banking sector is through an agreement between the two co-princes on the number of banks. There is an informal agreement that this be limited to five, which has meant that Andorra has not been heavily over-banked. At the same time it has enabled the banks to co-operate more closely among themselves.

There is no sign that this limitation will be lifted on a banking system whose total deposits are approximately Pta 100bn. Of these, over 60 per cent are controlled by three banks, which have a substantial element of non-Andorran capital. This foreign capital and control reflects the historical lack of banking sophistication within Andorra, coupled with the desire of both Spain and France to have a stake in this sector. An investment law restricts all foreign shareholdings to one third and this covers the banking sector —but, in one instance at least, is by-passed through an Andorran fiduciary shareholder.

The Spanish presence has traditionally been the most prominent and, indeed, the man now heading the Spanish Bankers' Association, Sr Rafael Termes, was responsible for building up Credit Andorra, the second bank to be established in the Principality. It was through Sr Termes that Banco Popular later acquired a 33.3 per cent stake.

Last year this was sold back to the bank for Pta 270m, a surprise move because of Credit Andorra's profitability but explained through Popular's policy of divesting of all shareholdings in foreign banks. Credit Andorra is in no hurry to divest these shares but it is assumed that there will be another Spanish bank as the eventual shareholder. Meanwhile Indosuez also holds one-third of the bank's stock.

In terms of activity, Credit Andorra is the largest bank. However, Banco Bilbao effectively controls two banks — Banca Mora and Banca Internacional. In the early 1970s Bilbao took over a small Andorran-owned bank, which became Internacional. Internacional then bought a controlling 51 per cent in Banca Mora, the remainder being held by the Mora family. Because of the restriction on foreign ownership, the excess stock is held by a fiduciary.

Bilbao treats the two banks separately because it is anxious to preserve the two licences. Nevertheless their results are consolidated. Consolidated deposits of the two banks last year were Pta 37bn against Credit Andorra's Pta 29bn.

These three banks are easily the most transparent: Credit Andorra even has internationally audited accounts. Meanwhile Banca Cassany does not publicly concede a BNP stake but it has a BNP board member and is widely believed to have equity. Credit Agricol is essentially Andorran capital, linked to the Perez family, the most successful of the Principality's merchants, but has some 5 per cent private French money.

The fifth bank, Reig, belongs to the family of that name, which is also involved in the tobacco business in Andorra and the Canaries. On top of this there is Spain's largest savings bank present, the Catalan-based La Caixa. Further, the French and Spanish national postal savings banks are present—a privilege granted in view of the latter state assumption of the postal service which is free inside Andorra itself.

The special nature of the Andorran economy means the banks are basically orientated towards financing imports and stocks of consumer goods bought by the merchants. There is little investment finance within Andorra but the banks also provide mortgages to purchase property.

As a result the banks are extraordinarily liquid. Over 70 per cent of the three main banks' deposits are fixed term. Bankers reckon that up to and over 80 per cent of customers' funds are placed in the Euromarket where the Andorran banks have always been net lenders because Spaniards are easily the single largest group of visitors.

The peseta is the main traded currency. Business between the peseta and franc is roughly on ratio of 80/20, but this money is nearly always converted into a variety of major international currencies — usually via Zurich.

The scale of operations has expanded quickly over the past decade and continues to grow rapidly in apparent contradiction to what is happening in France and Spain. Internacional and Mora's deposits grew last year by almost 55 per cent, while those of Credit Andorra increased by almost the same quantity.

As for profits in 1980, Credit Andorra showed net earnings of Pta 474m against Pta 336m. The bank distributed Pta 80m in dividend, Pta 31m in staff bonuses, Pta 17m for a staff investment fund (managed by the employees) and transferred Pta 207m to free reserves.

At the same time there were retained earnings from the previous year of Pta 336m and the bank was able to increase these retained earnings to Pta 474m. To this the bank has also made a provision of Pta 640m for loan losses. Since this represents 6 per cent of outstanding loans, bills discounted and contigent liabilities, it could be seen as a form of concealed profit. Internacional and Mora's accounts, which are less explicit, show a total distributable profit of Pta 582m, against Pta 229m in 1979.

The banks operate via an association, even though it is not formally constituted as such. They meet twice a month to regulate their activity so that they act in concert on such things as commissions, bank practice and staff salaries. Each day at 10 am they agree a currency fixing via Zurich. In summer, when there is a big demand for pesetas in France, the fixing occasionally comes via Paris. The peseta is marginally discounted against rates prevailing inside Spain.

Suggestions that Andorra is stil used for large-scale flights of capital are discounted both within Andorra and by the Bank of Spain. The Bank of Spain, through a wholly owned company in Zurich, monitors the peseta market there and can tell if there are any large-scale movements. However, this does not prevent small-scale operations, which often may only involve transactions in Andorra.

Changes in the banking sector are essentially dependent on moves for political and institutional reform in the Principality, coupled with agreement on the establishment of a company law. The absence of company law, together with the lack of a company register, or register of property, or clearly defined legal title to property, inhibits business expansion. Several bankers will not involve themselves in financing property development because of this. It also makes it more difficult to finance large-scale development. Further, there is a growing realisation that the lack of formal regulation has worked because of the smallness of banking business and the constant boom of the past decade. Credit risk analysis has been unnecessary when loans are often guaranteed by reputation rather than by collateral. This could change if the commercial boom stagnates.

Finally it is questionable how much longer the banks can continue without fiscal responsibility. At present they only pay a form of rates to the parishes where they operate.

BOOKS

Sissinghurst squire

BY GEORGE MALCOLM THOMSON

Harold Nicolson, A Biography: Volume II 1930-68
by James Lees-Milne. Chatto and Windus. £15.00, 403 pages

It is evening. It is autumn. The air is suffused with thoughts of death and the fact of old age. It is Volume Two.

Strange how at such a season events conspire to reinforce the lesson of the years. Mummy dies. Brother Freddy dies: a blessing in one way; those nightly trips to prise him out of the pub can stop. Sad though.

Old friends vanish. Guy Burgess, who through loyalty has made such a hash of his life writes from his refuge in Moscow. Once a witty, acute, promiscuous young man, he has settled down to domesticity with a Russian boy (supplied, naturally, by the KGB).

He has forgiven everybody, Graham Greene, Stephen Spender, even Goronwy Rees. The exile would like to come home for a visit. Harold advises against. Very wise. For one thing Anthony Blunt would have to give evidence and his career would be ruined. That tragedy was averted, or postponed.

To turn from the behaviour of Burgess to that of his adviser. Nicolson notes in his diary during the Yalta conference, 1945. "I dine with Guy Burgess who shows me the telegrams exchanged with Moscow." They were, needless to say, telegrams carefully selected to prove Russia's good intentions.

Questions arise at once. What was Burgess doing taking top secret documents out to dinner? Why did Nicolson, an MP, a former member of the Diplomatic Service, not challenge Burgess there and then or report him to the Foreign Office? How did it come about that he did not know from that moment that Burgess, whom he saw frequently and knew to be a Marxist and a drunkard, was a completely untrustworthy person and that probably his loyalty lay elsewhere? Surely Nicolson should have suspected that Burgess was a spy. Did he, for some reason, conceal this fact. Or was Nicolson an extraordinarily gullible man?

But it would be wrong to suppose that, while the leaves were falling, all was sadness for Nicolson. True, he did not get a peerage. Oh, how he longed for one! Not for social reasons, of course. He felt himself to be the peer of any peer. And even, perhaps, to be on the same level as his wife Vita's family, the Sackvilles. But nevertheless it hurt when Birthday Honours after Birthday Honours went by and his name did not appear.

Lest it be a mere question of forgetfulness, he had written a dignified letter to Those Above. He had even chosen the title, Lord Cranfield ("*not* Lord Sissinghurst"). But, no, the Labour Government would only give peerages to men who would accept their own Whip. What made it harder to bear was that Vita became a Companion of Honour.

Harold would undeniably have been so good in the House of Lords, so useful a member in debates on foreign policy and the National Trust. But it was not to be.

There was consolation, however. He was chosen to write the biography of King George V, no easy task with the royal widow looking over his shoulder, but, as it proved, carried out with dispatch and distinction. Some of the most entertaining pages in this volume deal with his labours in this field. They include:

Queen Mary, who was always scared of her husband. Lord Carisbrooke, who thought that Edward VII behaved abominably to the Kaiser. The Royal Family as a whole was pro-Kaiser, who had, however, revealed to Queen Victoria Edward's affair with Lady Warwick. George V, a kindly man, who was such a bully to his children that one of them (Gloucester) fainted in his presence. Sister Agnes, who poisoned George V's mind about his son, later the Duke of Windsor. And so on.

In the end, it was through the royal family that Harold received official recognition. He was made a KCVO. It was not at all what he thought was his due. Far from it. But he accepted. The London Library, The National Trust, occupied his mind and would have satisfied the vanity of a lesser man. But not Harold.

There are glimpses of other celebrities such as Cecil Beaton whom, alas, he found pretentious and second-rate. Beaton responded with a similar disapproval of Harold:

"the Kewpie doll mouth, the paradoxical moustache, the corpulence of hands and stomach, all these give me a *frisson*."

In that jungle, the wounds may not be deep but the claws are sharp.

There is, finally, the famous garden at Sissinghurst, a masterpiece of its kind and one for which he must share the credit with Vita, the wife who, through all the troubles of their tormented lives, had his heart and whose death was his greatest sorrow.

One day on a *National Trust* tour he visited Berhard Shaw's house at Ayot St. Lawrence, "a loathsome little building." *There Mr and Mrs Shaw* were among the roses, *two heaps of* white ashes on the flower beds:

"The housekeeper explained to us that somehow it would have seemed indecent to disperse the remains of Mr and Mrs Shaw with a garden fork."

After this experience, Nicolson decided he would not be scattered on the rotunda at Sissinghurst. Nor is he. When, at last, autumn shrank into winter, he was laid in a churchyard. Vita lies with her own people, the Sackvilles.

Here, then, is the last phase of a busy, *talented* yet curiously *disappointed* life, recorded by a sensitive and understanding friend who knew him well. *It makes an enlightening, at times a brilliant, book.*

Harold Nicolson and Vita Sackville-West in the tower room at Sissinghurst in 1932—an illustration from the book reviewed

Dacre's acres

BY JANET MORGAN

History and Imagination: Essays in honour of H. R. Trevor-Roper
edited by Hugh Lloyd-Jones, Valerie Pearl, Blair Worden. Duckworth, £25.00. 386 pages.

In 1954 Hugh Trevor-Roper, then Student of Christ Church and Lecturer in sixteenth and seventeenth-century history at the University of Oxford, displeased "that great champion of the Catholic Church," Evelyn Waugh, by some historical observation:

"In the course of the public debate which followed, and which became at times somewhat tart, that vigorous writer, believing that he had gained some advantage over me, broke into a cry of triumph. 'One honourable course, he wrote, 'is open to Mr Trevor-Roper. He should change his name and seek a livelihood at Cambridge'."

And so in the course of time he did, taking in 1980 the title of Lord Dacre of Glanton and leaving his Oxford chair to become Master of Peterhouse.

It is in the valedictory lecture that he then delivered that Hugh Trevor-Roper tells this story, gracefully conceding

"this little victory . . . to one who cared so much for 'our rich and delicate language,' the necessary vehicle and sole preservative, for us, both of History and of imagination."

The anecdote is apt as well as witty, for it illustrates in a local, domestic way the theme of the inaugural lecture which Trevor-Roper gave when he became Regius Professor in 1957—that history is a humane study, "the study not of circumstances, but of men in circumstances"—and of his farewell lecture 23 years later—that history is "not merely what happened: it is what happened in the context of what might have happened." The two lectures are informed by the same thought: that history as it should be, useful and controversial, is not an exact science which specialists can refine and eventually apply, as a form of engineering, but must be inspired by the thinking and writing of laymen, and that history is not a convenient scheme, the inevitable outcome of events, but, rather, a living subject, requiring the examination of the alternatives of the past, "lost uncertainties," problems as they formerly were, still unresolved. We must leave room for the imagination.

History and Imagination, therefore, is the title Trevor-Roper gave to his 1980 lecture, which with that of 1957 encloses this collection of essays presented in his honour by two dozen of his colleagues. A *festschrift* is invariably difficult to review; all that these 24 offerings have in common is the recipient himself.

They include: a delightful investigation by Arnaldo Momigliano into the medieval autobiography of a German Jew, describing his conversion to Christianity; Valerie Pearl's timely reminder of how flexible, comprehensive and generous was the social policy practised in London in the 16th and 17th centuries; J. H. Elliott's entertaining account of the ingenious political projections in which in 1640 the Spanish and English first ministers indulged; Jeremy Cater's explanation of why General Oughton exerted himself to secure the appointment to a chair in the University of Edinburgh of the conservative James Beattie of Aberdeen, thereby to upset the local liberal establishment; Lord Blake's analysis of Chamberlain's part in the "Jameson Raid," and Michael Howard's demonstration of the changes in attitudes towards empire, race and war.

Those versed in the intricacies of Trevor-Roper's own work, and who know something of his history and his habits, will spot a mischievous allusion here and a discreet compliment there.

One of the neatest is John Clive's delicate reference in his essay on John Gibson Lockhart and George Otto Trevelyan, though he does not specifically mention those Letters from Mercurius that appeared in the Spectator from late 1968 to mid-1970.

The easiest course for the reader is simply to pick and choose among this collection and, if the more difficult essays begin to sap his stamina, he should turn for refreshment to Richard Cobb's spirited denunciation of the rearranged and renamed French Revolutionary calendar—a jolly romp and by far the most imaginatively wrapped present a departing professor could receive.

Lord Dacre: historian's role

Fiction

Terrible spire in the middle

BY ISABEL QUIGLY

Who Was Oswald Fish?
by A. N. Wilson. Secker and Warburg. £6.95. 314 pages

The Hotel New Hampshire
by John Irving. Cape. £6.95. 401 pages

Have a Nice Day
by Barry Norman. Quartet Books. £6.50. 182 pages

Sob, Sister
by Irma Kurtz. Michael Joseph. £6.95. 208 pages

Garlanded with honours, including the Maugham Prize, A. N. Wilson comes up with another idiosyncratic novel, *Who Was Oswald Fish?* If nothing else, Fish is the excuse for some genealogical jokes, since almost everyone in the novel (including the garrulous office char for whose garrulity one at first sees no artistic purpose) is descended from him. The arrangement of the book is, in a sense, visual: one can see it in the form of a map, or an aerial photograph.

First there's a Victorian chapel, on which all depends, lost in a Birmingham wilderness of tower blocks and desolation. We move outwards to its effect on people, far and near: on Fanny, ex-pop-singer and 1960s trendy who now runs a string of shops selling Victorian imitations, who wants it for a warehouse; on Fred of the local council, who wants to knock it down so that he can build a community centre. These two meet in the chapel, fall in love, and disrupt everyone-around-them's lives until a suicide and a killing (that isn't quite murder) tie a few neat knots.

Around these overlapping interests and passions are overlaps and interests from the past, all of them stemming from the chapel's architect, Oswald Fish, who died raving mad.

Wilson is so much the best writer of my batch that the preposterousness of the plot doesn't, even in a realistic context, really matter. He writes with great delicacy, sometimes about brutal things; he shifts tone and style with marvellous swiftness and skill, very lightly parodying the thoughts and feelings, and even the period, he happens to be dealing with. What counts most, for me, is his treatment of reality, his changes of eyesight and outlook.

The Hotel New Hampshire is about family life too, American this time, and in its way just as bizarre; a family of eccentrics between 1939 and the present who, through the writing of the younger daughter Lilly, has become famous throughout the land on television.

Fatally (to me) it recalls Salinger, even having a Franny for heroine, which seems dangerously suggestive. Narrator John is the second son of parents in a small eastern town who open a hotel called the New Hampshire, then a second, then a third with the same name; and are much involved with a bear called Earl, who gives shows, and later with a girl dressed up as a bear, whom John eventually marries. Not that what happens really matters or suggests at all what the book is like.

It is extremely accomplished, creamily smooth in the rough-spoken American manner; often funny, often neat; but whimsical. How whimsical, how self-regarding, is shown, I think by the plot itself, which puts the self-admiring family on television and then insists that it isn't an eccentric family, not at all, just ordinary, like any other. That's as may be. The effect is squirmily, twee-ly embarrassing; as Franny says, "Yuck."

Two lightweights, both seemingly based closely on their authors' professional lives, are Barry Norman's *Have a Nice Day* and Irma Kurtz's *Sob, Sister*. The first takes an English television team to Hollywood to film an aged British actor who was never very famous and turns out to have been loathed by everyone; gigolo, then murderer of his first wife, whose successor is now ready to spill the beans.

I wish I could write with more enthusiasm about it, because its heart is in the right place, it's quite a good read, quite lively and even literate; the people, though not memorable, are physically quite vivid, in fact it's quite a lot of things and I wish I could stop saying "quite." Why is comedy and satire so much harder to do well than straight writing? Perhaps because every word counts, style is paramount; and in Barry Norman's pleasant enough writing one comes up too often against the extra adjective, the slack phrase, the misplaced word. This extends, pleasant though they are, to his characters and their tale; his jokes and their effect.

Sob, Sister, though less ambitions, is better shaped and finished: in fact in a non-nonsense way Irma Kurtz isn't at all a bad writer. In real life she writes an advice column in *Cosmopolitan* and her astringent, commonsensical view of things is not unlike Flora Poste's: keep clean and tidy, don't let your emotions get you in a mess.

Della, her heroine, seems to have much the same circumstances as her own; an agony auntie, she not only writes her advice, but, with quite loony good nature, involves herself in her clients' and friends' affairs.

When the ghastly Teresa (whom, she befriends) has broken her life and pinched her lover, Della turns furiously on her own trendy liberalism and, for once, does all the things that, trendily speaking, are wrong: tells selfish friends to leave her in peace, the smelly au pair girl to buy a deodorant, the fat secretary to slim, and finally her last desperate client that she doesn't give a damn what she does with herself.

Finally she tells her seven-year-old son to call her Mother instead of Della and even, horror of horrors, insists on his saying he loves her. Maybe this momentary swing to more self-indulgent ways is a way of saying: Don't overdo it, even in being nice. It's a small-scale novel, but competent: and without many extra adjectives or misplaced words.

A. N. Wilson: acerbic attitudes

Anzio and beyond

BY JAMES FRENCH

Rome '44, The Battle for the Eternal City
by Raleigh Trevelyan. Secker and Warburg, £8.95, 366 pages

War is heroic. War is bloody. War produces saints and right bastards, good and bad; genius and stupidity—and a mass of greyness between the occasional extremes. Raleigh Trevelyan — a name that rings of history and heroism — was a young officer who landed at Anzio and was wounded twice within four months. He was there; and experienced the hell of it. And he is a fine writer; a man of pride and compassion; with an eye for the golden glint of humanity on the churned mud of the battlefield.

Publishers' blurbs on book jackets are often supreme examples of hyperbole or romanticising. One reads them with cynicism. The cover of *Rome '44* says: "This is a remarkable book, bringing together the skill and insight of an accomplished historian, the narrative drive of a gifted storyteller, and the rage and terror of a man experiencing at first hand the momentous events from Anzio to Monte Cassino and on to Rome." For once, that is a true verdict which I endorse.

Mr Trevelyan punctures a few myths. There were good Germans, and there were many brave Italians, a lot of them Communists. And there were some lovely Irish people in the Vatican in 1944 who had forgotten about Cromwell—for the duration.

Pope Pius XII (Pacelli) received a bad Press in the West as an axis-sympathiser. Mr Trevelyan convinces me that he was a skilled tightrope walker who properly gave priority to the saving of lives.

When the Allies finally marched into Rome in 1944 the Italians wanted to know: "What took you so long?" *Rome '44* has the explanation—a combination of good generalship and brave fighting by the German Army, some splendid natural defences in the craggy country south of Rome, and perhaps too much caution among Allied generals. Caution, however, means concern for human lives, and thank God every campaign was not a Somme or a Stalingrad.

However, there is a telling comment from Colonel Eugen Dollman, an SS liaison man, on the lack of progress by General Mark Clark and his Fifth Army: "The Americans put up their tents, said their prayers, had a good meal, and then lost a unique occasion for finishing the war within a year."

One of the photographs illustrating this book was taken by a Major Denis Healey, a landing officer at Anzio. Labour Party conferences must seem pretty tame compared with what followed.

Most harrowing of all was the massacre of the Ardeatine Caves, when 335 Italians, mostly resisters, many of them Jews, were massacred in reprisal for the killing of 32 German police (who happened to be Italian nationals from the South Tyrol).

Most ticklesome tale was of a war correspondent called Yehudi spotted rejoining a queue to receive a third rosary, and blessing, from the Pope. Why? To ensure his prospects with chambermaids in Montreal, my life!

But there are not many laughs. There are plenty of tears. This is a moving story.

Cornish pastie

BY NICOLA BEAUMAN

The Rebecca Notebook & Other Memories
by Daphne du Maurier. Gollancz. £6.95. 173 pages

There are some novels like *Middlemarch, The Pursuit of Love, Dusty Answer* or *Rebecca* that make such an impression when you first discover them that you can always remember where you were at the time. I read *Rebecca* on a Green Line bus going to visit a school friend in Petersham: I can still remember reaching the scene where the diver goes down to discover Rebecca's boat, and dispiritedly putting my used ticket to mark the place.

Recently Daphne du Maurier found a notebook in which she had sketched out the bones of the novel that became *Rebecca*. It is here reprinted, page one in fascimile, along with some family reminiscences and some other brief essays on romantic love, widowhood, winter afternoons beside smoking chimneys, and other such topics—pleasant enough but faintly redolent of Patience Strong.

But the Rebecca Notebook itself, a mere 20 pages, is memorable. For one thing it leads to an instant re-read of *Rebecca* to see how the published version differed. It must be one of the very rare instances of a novelist sketching out a novel right through from A to Z and still having the original for comparison.

The differences in the two versions are marked but whether the original synopsis would have been less successful in a final version is doubtful. For it too displays all the hallmarks of the classic best-seller, and the changes between outline and completion are merely questions of taste and tone.

In both versions nostalgia is the primary emotion ("Last night I dreamt I went to Manderley again. . . .") and happiness is transient because we can never escape the clutches of the past. The reader can easily identify with the plight of the downtrodden heroine and with that of Max who is worldly and aloof yet unspokenly sensual.

Yet this is not an erotic novel, nor is it one about love. Max proposes by declaring rudely "I am asking you to marry me, you little fool" and so insecure is his second wife that when he tells her that he murdered Rebecca her first emotion is not one of shock-horror but of delight: "My heart was light like a feather floating in the air. He had never loved Rebecca."

Rebecca is above all a novel of suspense and the characters, familiar types that every reader can flesh out for himself, are secondary to the sustained narrative thrust. But what remains, finally, unforgettable is the infinitely sad, storm-tossed tone of the narrator. It was a bold move to make the ending explicit in the beginning, but one which gave Maxim and his new wife tragic stature.

The notebook has survived 40 years because it was used in a law-suit to disprove a case of plagiarism. But the theme of the second wife and the husband with a past has been a favourite from Charlotte Brontë on and the concept of a paradise lost is ageless. Yet without the law-suit we would not have the notebook and we would have been denied the pleasure of imagining Maxim as Henry, his sister Bea as a rather brusquer Barbara and the second Mrs de Winter gulping down Lysol instead of being tempted to jump off the window-sill by an infinitely menacing Mrs Danvers. And how much more effective it was to make Manderley burn down instead of turning it into a country club with Joe Allan and his Boys strumming in the minstrels' gallery.

In short—Housewife's war

Nella Last's War
Falling Wall Press. £9.95. 319 pages

During the mass destruction of World War II, Nella Last was able to create this diary. She was a 50-year-old housewife living in Barrow-in-Furness and wrote this account in response to an appeal by the Mass Observation Unit, asking ordinary people to keep a record of their daily lives.

Her writing was of such quality and length that the decision was taken to edit and publish her diary. It is a most readable mixture of wartime thoughts, facts and anecdotes. As well as a natural gift for self-expression she was also creative practically and the war enabled her to exercise her ingenuity in every way. She made toys and blankets from oddments of material, appetising meals from scraps of meat and home-grown vegetables, kept hens and helped run the WVS Centre, the mobile canteen and the Red Cross shop. Her loving and detailed descriptions of these activities show that she craved the fulfilment that they provided. She was a strong-minded woman and had been repressed by a weak husband and was dissatisfied with her role of housewife.

Her diary is free from cliché and contains many original metaphors. She also has a sharp sense of humour. When writing of a religious neighbour who told her she prayed to God to destroy Hitler she writes: "Cannot help thinking if God wanted to do that he would not have waited till Mrs Helm asked him to do so."

She was of course deeply conscious of the terribleness of the war. She had a son who was wounded overseas and suffered herself in the blitz. Indeed, the diary is a constant record of bone weariness and overwrought nerves. Yet primarily the tone of the diary is one of determination, not depression.

VALERY McCONNELL

The Legendary Grogan
by Leda Farrant. Hamish Hamilton. £12.50. 260 pages

A Portuguese drunk who tried to knife the subject of this biography in a Beira dance hall did not live to regret it. In the course of a long and colourful career, Gladstone's godson never took any nonsense from anyone.

If Grogan was a legend, as the title of Leda Farrant's rather flat biography would suggest, then he was a legend only in Kenya, his adopted homeland. As a man, however, he would have been extraordinary anywhere.

He first made the headlines in 1889 when, at the age of 24, and newly sent down from Cambridge, he undertook to walk the length of Africa from the Cape to Cairo to prove his love for a girl. The stunt was a crazy idea at the time. It would still be a crazy idea now.

But Grogan went through with it and thereafter settled in Kenya to become one of the colony's earliest European pioneers. The image of the Kenya settler in those days is very much the image of Grogan, for it was often his particular exploits which filtered Home to scandalise the readers of the popular Press.

Arrogant, cocksure, upper class. A boorish, racist womaniser who fathered several illegitimate children and could not abide bureaucracy in any shape or form. A man who loved Africans as children yet flogged them publicly. An oaf, a lout, a typical Kenya cowboy.

Yet there was the other side to him as well. The exhibitioner of Winchester who was an authority on fiscal policy and attended the Versailles peace conference in that capacity.

NICHOLAS BEST

Quest for Adventure
by Chris Bonington. Hodder and Stoughton, £14.95. 448 pages.

Bonington's definition of adventure is good—"a plunge into the unknown, to try to satisfy man's insatiable curiosity about himself and his own reactions to stress or danger, to find the boundaries of his physical capability or that of his craft." Under this banner he can include round-the-world yacht racing and the Kon Tiki, the development of Everest ascents and cave-diving, ballooning and the moon landing. It would be pointless to cite omissions in such an idiosyncratic choice.

He fails, not surprisingly, to find a common link between the adventurers, rather lamely concluding that the reason for their adventures "lies concealed, mysterious, in the complexity of man."

They are a very mixed bunch—Wilfred Thesiger and Eric Shipton, content to explore without definite targets; Francis Chichester, always racing against self-imposed goals; Thor Heyerdahl and Vivian Fuchs, taking risks in the cause of science; Donald Crowhurst, unable to live with a lie; Neil Armstrong and Buzz Aldrin, completing a technological dream.

DAVID BLACKWELL

Caribbean crimes

BY WILLIAM WEAVER

Dangerous to Know by Marian Babson. Collins, £4.75, 168 pages

Marian Babson obviously loves London (where she has been living since 1960) as only a convert can love the faith. In *The Lord Mayor of Death* she made memorable use of the City as background for a mad-killer story; in her new book, the setting is Fleet Street, and before you have got many pages into the story, you can practically smell printer's ink. The London Record has been increasing circulation (thanks to a number of exposé stories), but it has been losing its investigative journalists in an alarming series of apparent accidents. The deaths continue, and the mystery thickens, involving some louche hydros, a popular fortune-teller, a financial journalist described as having a better grasp of what's going on in the City than "the entire staff of the Financial Times" (the source of this description is, I hasten to add, suspect). Lots of edgy, sharp characters, in a nicely arranged tangle of relationships.

Angel Death by Patricia Moyes. Collins, £5.50, 268 pages

Superintendent Henry Tibbett and his wife Emmy—familiar to Mrs. Moyes's readers—go to the Caribbean for a little holiday. It soon becomes a nightmare, and like many nightmares, it also becomes extremely complicated and hard to sort out. There are too many characters, too many islands, too many bad guys acting like good guys, and good guys acting like bad guys. Through it all, however, there are a number of nice touches (including an excellent description of a tropical hurricane) that make the book enjoyable.

HOW TO SPEND IT

by Lucia van der Post

Fine fair comes to town

...ONY Fanshawe Kato seems ... in birds—the original ... a series for a ceramic ... Yokahama University— ... similar items at the Fair ... size to about 9 ins in ... Designed to be hung on ... a modern version of the ... ducks?) they are £20 each and come in a range of bright colours.

IF THERE are any sceptics left who still associate the crafts movement with corn dollies and crude pottery, then I urge them to go along to Chelsea Old Town Hall, Kings Road, London, SW3 between October 29 and Sunday November 1 to see what must be one of the finest collections of fine British crafts ever gathered under one roof.

Launched with the help and blessing of such luminaries as Dr Roy Strong and Lord Reilly (both of whom share my belief that the vitality and health of the craft movement is one of the greatest sources of optimism at the moment), it has been organised by Lady Powell, who first put together a crafts fair in the Geffrye Museum in Hackney two years ago.

Lady Powell strongly believed that if the best of the British crafts were brought together for a few days once a year in an atmosphere far removed from the rarified world of the art gallery or exhibition, then ordinary people would be persuaded to go and look at the sort of things they wouldn't normally come across. She was proved abundantly right and her belief in the fundamental taste of people untrained in the craft world was endorsed by the fact that the best things always sold first.

Last year the fair came to Chelsea and this year it occupies even larger premises in the Old Town Hall with the work of about 100 contemporary craftsmen and women.

There are all sorts of reasons for going along to it—go if you have any interest in the crafts, for there you will see the work of some of our most established, most distinguished craftsmen (people like Robin Welch, Elizabeth Fritsch, Alison Britton and Peter Collingwood) as well as the new, fresh work of those straight from Art School. All of it has been carefully vetted and selected to keep the standard high.

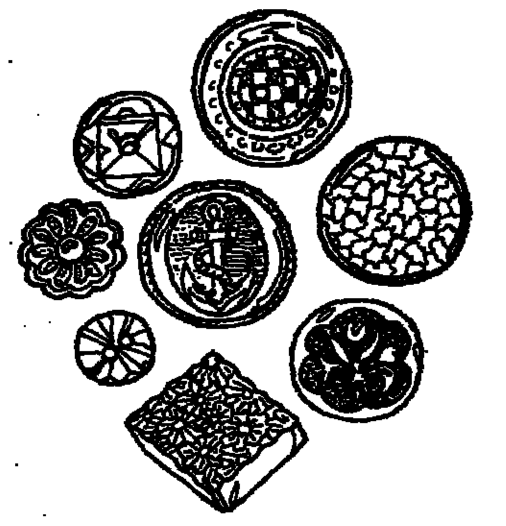
Go, if you are looking for something practical yet authentically hand-made for the house—maybe a pair of whimsical candlesticks, or a finely-turned salad bowl, or an original bedcover. Go, if you are looking for a very special present, for the kind of one-off item that always seems to me to speak of more thought and care than any mass-produced product.

The price range is enormous—from 70p for glass beads, funky jewellery or small textiles up to several thousands for the very special clavichord. The Fair is open on Thursday 29 from 2 pm to 6 pm and on the other three days from 10 am to 6 pm. Entrance fee is 80p (40p for pensioners and children).

RIGHT: Ceramicists are particularly well-represented at the Fair and their work is among the most interesting. Lindy Wright only left the Royal College of Art last year. This black and white zebra plate 11 ins in diameter, also available in other sizes, is £8.32.

ABOVE: Lyn le Grice is famous for her beautiful hand-stencils. Here she has used them to transform a piece of furniture into a work of art. The chest and stand/table is part of a stencilled range of furniture. £230 the stand/table, £270 the chest or £500 together.

ABOVE: Anna Lambert transforms an everyday item like a pair of candlesticks into something original and desirable. 10 ins high the candlesticks are made of white clay and glazed in white, pinks and browns. £25 the pair. The rest of her work is in similarly fanciful vein.



Buttons galore

I DON'T KNOW about you but I'd always rather taken buttons for granted; never quite given them their due place in the scheme of things; never quite realised how infinitely various and diverse they were, nor what skill and inventiveness went into producing them. Until I came across the Button Box the other day. A small shop down a side street just off the Strand it is at 44, Bedford Street, Covent Garden, London, WC2 (but out-of-London-readers will be glad to learn that it operates a very efficient mail order service and will send its illustrated leaflet to any reader who sends in a sae).

Anybody who can get there should visit the shop, for not until you have seen such an array of buttons will you begin to realise the potential for brightening up or improving all the garments in your wardrobe. Changing buttons and buckles has always been a well-known way of giving chain-store merchandise an instant lift and nothing could be more inspiring than this Aladdin's cave.

There are well over 500 different sorts from the cheapest little plastic ones at 2p each to the most expensive ones, like a real horn toggle at 60p.

There are buttons in glass, wood, pearl, casein (which you will be amazed to learn is solidified milk), plastic, nylon, bamboo, horn (both real and fake), and Perspex. There are wonderful 1930s black glass buttons and genuine 1930 pearl ones. There are ones with an Art Deco look to them, and lovely new, funky ones like the brightly-painted "feet," "apples" and "strawberries" (see sketch below). There are brass ones for blazers, 17 different colours of dyed pearls, square ones, bow-shaped and diamond-shaped and heart-shaped ones.

Drawings by Anne Morrow

...ed with ...igination

...hose wise people who ... out their heating ...way back in the summer ... now be enjoying those ...winter evenings that the ...sements conjure up so ...ively. For those who still ...ouses or flats to organise ...are two sources of heat ...struck me as being of ...l interest.

...even its best friend would ...y call the electric fire a ... of beauty. However, the ...s Fire, near right, caught ...eye principally because it ... that very useful object ...a thing of almost magical ...ction. Designed and made ...Tobias Harrison, an artist-...sman usually working in ...mic, and living in the Lake ...rict, the Tobias Fire is ...cally a highly decorative ...ng for the usual electric ...ment.

...he extra ingredient, the ...gical element, is the cast-...n casing which gives the ...ole heater the air of a ...sterious Eastern glowing ...ject. The fires are about waist ...h (35ins) and while the ...rly models were ceramic, ...hen demand began to increase ...was decided to make them in ...st iron. This means they can ...me in the traditional matt ...ack finish, or they can have ... antique look in antique ...ass, cadmium or brown, green ... black enamel.

Prices vary between £230 and £280 and it is avaliable from a host of outlets up and down the country including Naturally British, New Street, Covent Garden, London WC2; Simon Green of 47 King Street, Manchester; Spectrum, 11 Horse Fair, Wetherby, Yorkshire.

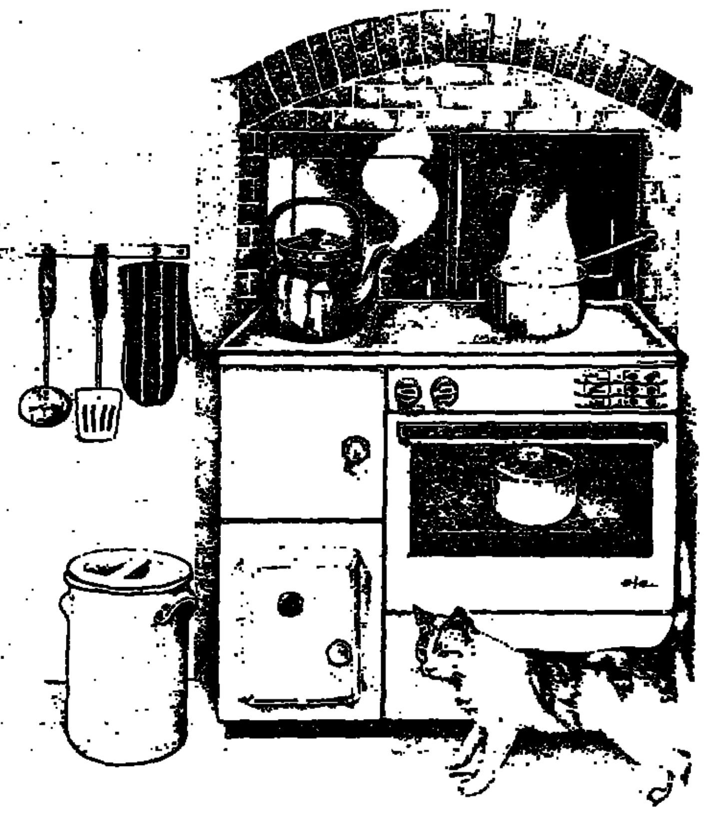
For a local stockist contact Neil Hunter, 12 Derwent Street, Keswick, Cumbria.

The second source of heat is quite different—less ornate, less decorative, but much more substantial. The Kamina Chef combines a number of very useful functions — beside being a cooker (and quite a cooker at that, it has a large glass-fronted oven, a warming drawer, and two hot plates (for fast cooking and simmer) it also has the capacity to heat the household's water and up to 12 radiators.

Woodburning stoves have recently been all the rage and the Kamina Chef can be run on wood, but now that supplies no longer seem to be quite as plentiful as the early enthusiasts had hoped or predicted it can be converted to cope with coal in a matter of a few seconds.

It can be run for up to 10 hours without refuelling and should only need emptying about once a week. It now costs £965 (plus VAT) but this includes back boiler, towel rail and coat kit and it is, of course, both boiler and cooker combined. Contact Euroflame, Euroflame House, Brooklands Industrial Park, Oyster Lane, Weybridge, Surrey (tel. Weybridge 56363) for stockists.

Tobias fire, above
Kamina Chef, right

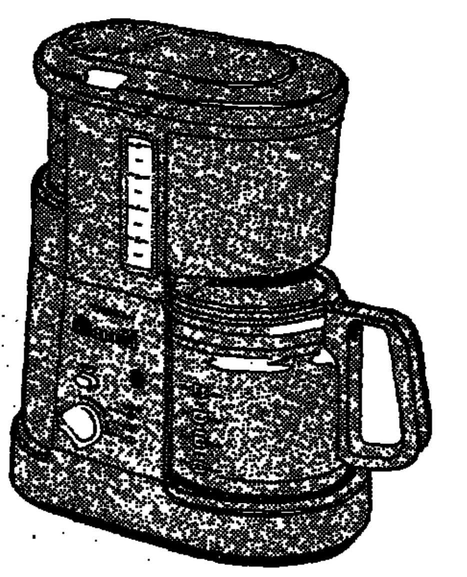


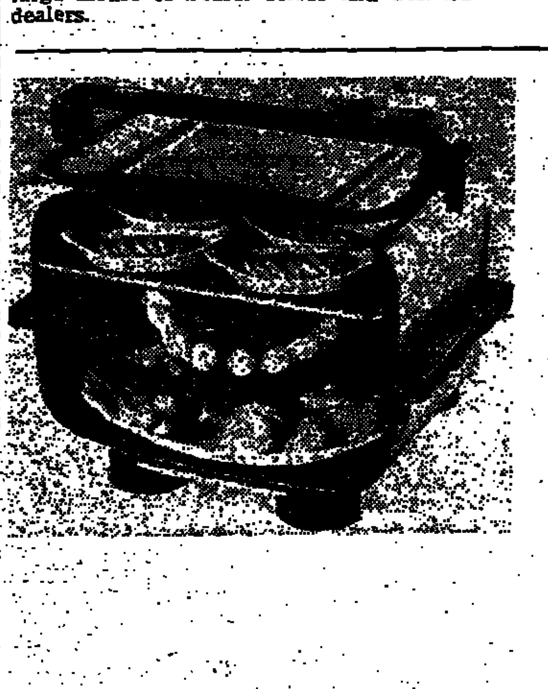
Fresh from the mill

A breakthrough in coffee machines came my way this week in the shape of the Toshiba Filtermill. It does what most of us must have subconsciously known we wanted—it takes care of the whole coffee-making process, from the grinding of the fresh coffee beans through to the finished cup of coffee.

I never find machines easy to master myself—there's something about instruction leaflets that causes my eyes to glaze over—but having battled my way through this one I can safely say it is simplicity itself. You simply measure the beans into the one section of the machine where they are ground to one of three levels of fineness. After the grinding is over the Filtermill begins to pump water from the reservoir tank, through the heater, into the grinder (which is now acting as a filter, so no filter papers are required) and on into the glass carafe.

The Filtermill isn't cheap at £49.95 but it does seem to me to be unique. Buy it in most large House of Fraser stores and Toshiba dealers.





Oven to table ware

THE answer to many a flat or bedsitter dweller's cooking problems could come in the shape of this new tabletop oven. It takes up a mere 18 ins of precious worktop space yet will hold a turkey and other dishes besides. It comes complete with one shelf and a drip tray. Simply plug it in.

From the people who first brought the food processor to Britain, ICTC, this full fan convection oven, the Convectionaire, is available until Christmas at an introductory price of about £139.95. Find it at Selfridges, W1; Divertimenti, 68 Marylebone Lane, W1; Harvey Nichols, Knightsbridge, SW1; Dingles of Bristol and Plymouth; Schofield of Leeds; Kendal Milne of Manchester; Rackhams of Birmingham, Leicester, Shrewsbury and Sheffield.

ARTS

Time lapses

BY B. A. YOUNG

Long runs on the radio bring their bounties between stiff covers. Last week I wrote about 33 years of *Any Questions?* This week I celebrate 30 years of *The Archers.* Only 30, because that is all that Gwen Berryman managed as Doris Archer, and it is Mrs Berryman's account of that lifetime career that you have in *The Life and Death of Doris Archer* (Eyre Methuen, £6.95. 199 pages). Take it from here, fans.

The Bloomsbury legend has lasted even longer than *The Archers,* and we've really reached the time when people begin to say that they know about enough of it. Yet there it was again last Sunday on Radio 4. *Lytton Strachey,* a 45-minute "portrait in miniature" with Daniel Massey playing Strachey and Michael Holroyd chatting with Derek Parker about Strachey's life and, as it were, loves. As Michael Holroyd has done it all in two splendid volumes of biography, we couldn't expect him to add anything new. It has to be said: we've heard it all before, even if we haven't heard Daniel Massey speaking the words and Jill Bennett, very movingly, taking the part of Carrington. How about unearthing the private details of someone else's life?—H. G. Wells, say, or E. M. Forster?

Lytton Strachey signed off in time for me to follow Lemuel Gulliver to Laputa and Balnibarbi, where I felt perfectly at home. Discordant music based on mathematical principles? I hear it all around me. Citizens so engrossed in their thoughts (in our day, with the help of a little pair of headphones) that they must be nudged for attention? They throng the pavements. Expensively subsidised schemes to extract sunbeams from cucumbers? Well, they're probably on strike, but you'll find them. Meanwhile the geriatric wards of our hospitals work themselves to the bone to ensure that our struldbrugs shall continue to live even if they are sans eyes, sans teeth, sans taste, sans everything.

The last time I praised a play for its ingenious use of radio techniques, a friendly correspondent wrote to point out that she had heard the play a year or two earlier as a television work, and there didn't seem to be all that much difference. I'm prepared to run that risk again with *Death in Trieste,* by Frederic Raphael, broadcast on Radio 3 on Thursday. This seems to me to have used with unusual skill dramatic arts available only to the sound-only writer.

Of course the story could have been told in another medium if the author had chosen. It was a quite simple story. Gilbert Sage, classics master at a public school, is pressed by one of the boys to tell him how Johann Winckelmann, the German archaeologist, died. Winckelmann died in Trieste, stabbed by a cook. Gilbert, on holiday in Italy, feels an urge to go to Trieste and die as Winckelmann died. We have already had a hint that he is not indifferent to the charms of his own sex, or some of them. In Trieste he gets as far as a conversation in a dark garden with the cook from his hotel. There is a double-edged conclusion I should not reveal.

What made the play so fascinating to me was the pointilliste shifting of attention in time, space or subject that built up the character of Gilbert. In episodes sometimes of a few seconds only we took snapshots of his life, from the university (where he had been deeply disappointed at not getting a first) to his established existence as a pedagogue. Sometimes the snapshot would be provided by a commentator (John Bennett) who really was a commentator, not a mere narrator. Sometimes we would simply get a footnote from the bottom of the page, a flash-back or a flash-forward. The scene was truly four-dimensional, for time did not elapse; we watched the whole affair from another dimension so that past, present and future were all equally before us.

This week the BBC has put out its latest guide to talking, *The Spoken Word,* by Professor Robert Burchfield, chief editor of the Oxford English Dictionaries. Hooray for ki'lometre, hoo for oapus (alleged to be an English, not a Latin, word), are you sure? for pomegranate in four syllables, goodness me! for subsi'dence. A very useful little book, which you may buy for £1.95. But note that another such book is being prepared for the television people.

Premature close

The latest production at the Mermaid Theatre in London is to close early, leaving it without a show for six weeks. *Shakespeare's Rome,* a combined version of *Antony and Cleopatra* and *Julius Caesar,* was due for a six-week run, but will now close on October 31.

Authors in Cheltenham

ALAN FORREST

Barbara Leigh Hunt, R. D. Laing, Laur ie Lee, Enoch Powell and Maureen Duffy

"Tomorrow for the young, the poets exploding like bombs . . . but today the struggle." Auden's line could have been written specially for this year's Cheltenham Festival of Literature, except that the explosion and the struggle took place on the same day, the poets exploding on the Town Hall platform and the customers struggling for the free drink provided by Messrs Guinness in a rare act of sponsorship in excelsis.

In spite of years of thinking up new ideas for turning the written word into a performing art, Cheltenham always manages something fresh. This year it was a Poetry Olympics, managed by Michael Horowitz, that famous running, jumping and not-often-standing-still poet. The "Olympics" took up a whole Saturday—from 11 am until midnight, and ranged from James Joyce and The Iliad to satirical anti-racist verse dedicated to Mr Enoch Powell who was performing in another part of the festival. I trapped Mr Horowitz for a brief chat the following day before he ran off with his bevy of bards to Bristol for another Olympics and he talked of a "new flowering of English poetry" which, on the strength of Cheltenham, didn't seem too much of an exaggeration.

But this was after it was all over. At noon on Saturday it seemed as if the poets would be late at the starting blocks. Local boy Laurie Lee plus free Guinness lured a splendid crowd and the queues at the bar for a time overshadowed the real purpose of the day. But finally Mr Lee got started and we were off on the road to Parnassus and a way of dispensing the Guinness more intelligently so that the poetry didn't drown without trace was discovered.

Mr Lee, of course, is a real performer. He starts off modestly by saying that no writers should really appear in public "except, perhaps, Tolstoy, D. H. Lawrence and Barbara Cartland" and then proceeds to invoke the Cotswolds through his verse to such effect that, if you're a stranger, you're quite likely to spend the lunch break exploring estate agents' showcases.

There were weightier things in store—Christopher Logue reading from his rendering of The Iliad (a rendering, rather than a translation, for he admitted it was mostly done from cribs), Chinese expert Arthur Cooper reading translations from the Chinese, Logue reading Ezra Pound, Horowitz reading William Blake, an Irish poet called Ronnie Wathen who read Joyce and his own verse and played the Irish bagpipes while we replenished our drinks. . .Central European poets, Americans—it would be impossible to mention them all without turning this article into a Cotswold version of Beachcomber's famous List of Huntingdonshire Cabmen.

Amid the joy, there were rumblings of Enoch. He was to turn up the following day to deliver a centenary lecture on George Borrow, one of his favourite authors. One black poet had already withdrawn from the festival in protest and many of the Olympics "*runners*" *had views.* Fran Landesmann, American poet and song writer, dedicated White Nightmare (a sour little ditty about an awful all-white world) to Mr Powell — it was well applauded, especially by a group of the gels from Cheltenham Ladies' College wearing their Saturday jeans and T-shirts. Then, in the final session, which went on to midnight, Adrian Mitchell gave Mr Powell another nice chunk of free publicity in a packed main hall.

By this time, many of us had wilted. We were replete with poetry and searching for some kind of literary equivalent of a vomitarium. It had been a beautiful day, but anybody who has ever eaten to excess on rich food will know the way we felt.

The day of Enoch finally dawned. There were a few Socialist Workers' banners outside the Town Hall, the more militant of the poets had repaired to a private room at the Queen's Hotel to give a series of readings in aid of CND. At the Town Hall, between us and the revolution stood four policemen and two attendants who were tearing tickets rather carefully. Inside, R. D. Laing entertained a sizable audience with a highly provocative talk on the Bible which ended with his acting the whole book of Jonah (the Jerusalem Version, which is more theatrical than the Authorised or the new English).

Professor Laing's talk clashed nicely with Mr. Powell's Matins sermon in the Cheltenham College Chapel and kept us all nicely entertained until the arrival of the man they were calling The Beast of County Down. Nothing much else happened. It must be jolly hard to raise a demo about racism in a town which hardly ever sees a black face outside its couple of Indian restaurants. Mr. Powell appeared, delivered a witty and scholarly dissertation on Borrow, his father, hiking, cycling and that wonderful rural England before the days of motorways (and presumably, blacks) without a heckler, and Cheltenham returned to normal.

This year's festival maintained its new form—lots of events packed into four days, a pattern which has its good points and bad points. It means there's something going on all the time, but you never have time to eat. I was told of a restaurant where the lunchtime jugged hare is the best in the west, but Maureen Duffy was talking at the Town Hall, and being a conscientious soul, I allowed Ms Duffy to win over the jugged hare.

I don't regret my decision. Ms Duffy, who made one of the best speeches I've ever heard on behalf of authors at the TUC a few years ago, provided an excellent lunchtime session on "The Novel!"

She deplored the "straitjacket" placed on the novel—there's The Serious Novel, she said, and "everything else rubbish to be dumped into a corner." A thriller or a historical romance, whatever the quality, is seldom given the critical respect it deserves. This she blamed partly on the late Queenie Leavis, whose Fiction and the Reading Public, helped to set a standard that needs looking at carefully, although she hastened to assure us of our respect for Mrs Leavis. Ms Duffy acquitted herself well and festival director broke in to assure us that we might have missed an extra treat—Queenie Leavis herself, who had agreed to join Ms Duffy at the festival, but unfortunately died too soon.

The Cheltenham Lecture, this year sponsored by Sotheby's brought author, poet and critic John Wain back to the town. Ms Duffy had prefaced her talk with a hymn of praise for the festival's liquid hospitality, based on what sounded like a memorable previous visit. Mr Wain gave us no such reasons for his return, but entertained well with a lecture on The Writer and Individuality, maintaining the splendid argument that The Wind in the Willows is a better picture of Edwardian England than The Forsyte Saga. Ronald Blythe, who followed Enoch, presented a new picture of Thomas Hardy—his association with the Suffolk coast where Mr Blythe himself grew up.

These "stand-up" sessions are the nitty-gritty of the festival. The customers like them because they're a little more formal and nobody can accuse you of spending too much time chasing exploding poets and drinking Guinness. It was Alan Hancox's second festival as director—and his last, he says, simply because he believes two is enough for anyone. In the half-a-dozen or so festivals I have attended, I have seen many changes. It has become less a High Mass to the Muses than a jolly literary Bachanalia. Mr Hancox has continued the change—it isn't that the festival has been given a cloth-cap image (cloth caps in Cheltenham, whatever next?), but nowadays you see more anoraks and jeans than pearls and twin sets.

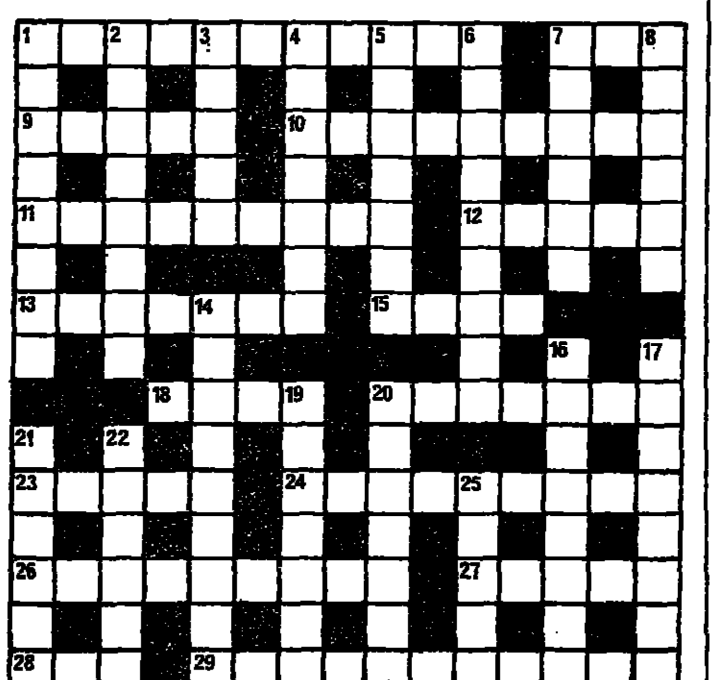
In his excellent little book on J. B. Priestley, John Braine recalls the literary salons that where around all over London as late as the 1920s, points where writers and patrons could meet and keep in touch. They don't exist on that scale any longer, and I suppose the literary festival is the "fast food" equivalent. Cheltenham, I'm sure, will survive in that

F.T. CROSSWORD PUZZLE No. 4,706

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



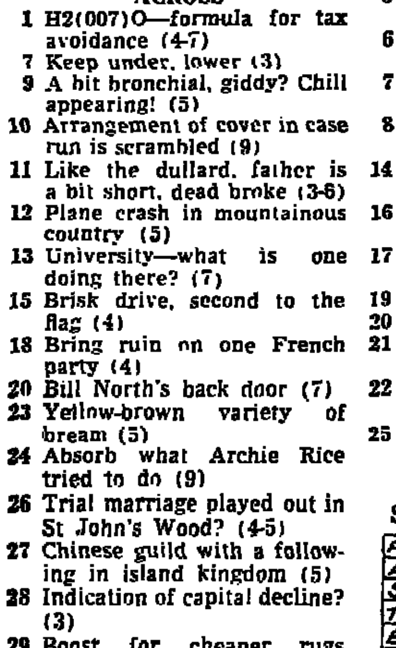
ACROSS

1 H2(007)O—formula for tax avoidance (4-7)
7 Keep under, lower (3)
9 A bit bronchial, giddy? Chill appearing! (5)
10 Arrangement of cover in case run is scrambled (9)
11 Like the dullard, father is a bit short, dead broke (3-6)
12 Plane crash in mountainous country (5)
13 University—what is one doing there? (7)
15 Brisk drive, second to the flag (4)
18 Bring ruin on one French party (4)
20 Bill North's back door (7)
23 Yellow-brown variety of bream (5)
24 Absorb what Archie Rice tried to do (9)
26 Trial marriage played out in St John's Wood? (4-5)
27 Chinese guild with a following in island kingdom (5)
28 Indication of capital decline? (3)
29 Boost for cheaper rugs ordered (11)

DOWN

1 Windscale's generator? (8)
2 Roughly patching bed-wear (8)
3 Women on the brink in No. 10 club . . . (5)
4 . . . party is dishing out (7)
5 Guts of socially-acceptable teams (7)
6 Sing outer parts in Elgar's oratorio (9)
7 This piece of bread has a topping flavour! (6)
8 They take turns for the better (6)
14 11 ac. type, or amusing possibly (9)
16 Advance fee paid to old family servant (8)
17 Overwhelm one taking sister to appointment (8)
19 The shortest of dances? (7)
20 One to throw in jug (7)
21 Precipitate found in the ruins of Athens (6)
22 Tar employed, having put out Billingsgate (6)
25 Deserter at church? This allows no backsliding (5)

Solution to Puzzle No. 4,705



TV/Radio

BBC 1

† Indicates programme in black and white

9.05 am Better Badminton. 9.30 Swap Shop. 12.27 pm Weather.
12.30 Grandstand: Football Focus (12.35); Motor Sport (1.05, 1.40, 3.10) Granada TV Rental Rallysprint from Donington Park; Racing from Newbury (1.20, 1.50, 2.20, 2.50); Snooker (2.10, 2.40) State Express World Team Classic; Tennis (3.30, 3.55) Daihatsu Challenge; 3.50 Half-time football scores, reports and news; 4.30 Final Score.
5.10 Kung Fu.
6.00 News.
6.10 Sport/Regional News.
6.15 Larry Grayson's Generation Game.
7.10 Juliet Bravo.
8.00 The Paul Daniels Magic Show.
8.40 Flamingo Road.
9.30 News and Sport.
9.45 Parkinson.
10.40 Match of the Day.
11.40 House Calls.

BBC 1 VARIATIONS: Cymru/Wales—8.50-9.30 am Crackerjack. 6.10-6.15 pm Sports News Wales.

Scotland—4.55-5.10 pm Scoreboard (1). 6.10-6.15 Scoreboard (2). 10.40-11.40 Sportscene from Scotland. 12.05 am News and Weather for Scotland.

Northern Ireland—3.05-3.55 pm Rugby: Ulster v Munster (opt-out from "Grandstand"). 5.00-5.10 pm Scoreboard. 6.10-6.15 pm Northern Ireland News. 12.05 am News and Weather for Northern Ireland.

England—6.10-6.15 pm (South-West only) Saturday Spotlight.

BBC 2

10.10-11.25 am Open University.
2.45 pm Saturday Cinema: "Meet Me At The Fair," starring Dan Dailey.
4.10 The Sky at Night.
4.30 Tennis: Daihatsu Challenge.
6.00 Snooker: State Express World Team Classic.
7.10 News and Sport.
7.25 Picasso's Picassos.
8.00 The Shogun Inheritance.
8.40 Snooker: State Express World Team Classic.
9.30 Byron—a Personal Tour by Frederic Raphael.
11.10 News on 2.
†11.15 Midnight Movie: "Terror In A Texas Town," starring Sterling Hayden.
12.35-1.30 am Snooker.

LONDON

8.35 am Sesame Street. 9.35 Joe 90. 10.00 Clapperboard. 10.30 Tiswas.
12.15 pm World of Sport: 12.20 On the Ball: 12.45 Badminton—The World Cup Finals, from Kuala Lumpur: 1.15 News; 1.20 The ITV Seven from Doncaster and Stratford; 3.10 Motor Cycling—Motor Cycle News Superbike Championship, from Brands Hatch; 3.45 Half-time Soccer news and reports; 4.00 Wrestling: 4.50 Results.
5.05 Metal Mickey.
5.35 News.
5.40 The Pyramid Game.
6.10 Game For a Laugh.
7.05 Punchlines.
7.40 Vegas.
8.40 The Stanley Baxter Series.
9.10 News.
9.25 "The Wild Geese," starring Richard Burton, Roger Moore, Richard Harris, Hardy Kruger and Stewart Granger.
11.50 Johnny Carson's Tonight Show.
12.40 am Close: Personal Choice with David Steel.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Sesame Street. 12.45 am At the End of the Day.

ATV

9.10 am Paint Along with Nancy. 9.35 Welcome Back, Kotter. 11.55 Portrait of a Legend, hosted by James Darren with tonight's guest Kris Kristofferson.

BORDER

9.10 am Paint Along with Nancy. 9.35 The Flying Kiwi.

CHANNEL

7.40 pm BJ and the Bear. 11.50 Police Surgeon.

GRAMPIAN

9.10 am Joe 90. 9.35 A Iomadh Duthaich. 7.40 pm Hawaii Five-O. 12.50 am Reflections.

GRANADA

9.35 am Joe 90. 7.40 pm The Streets of San Francisco. 11.50 Star Parade. 12.50 am The Spy's Wife.

HTV

9.10 am Target Bowls. 9.35 The Further Adventures of Oliver Twist. 12.13 pm HTV News 5.39 HTV News. 7.40 Hawaii Five-O. 11.55 Police Surgeon.

HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Ras Sgwar.

SCOTTISH

9.05 am Friends of My Friends. 9.35 A Iomadh Duthaich. 11.35 pm Late Call. 12.00 The Hundred.

SOUTHERN

9.00 am Thunderbirds. 9.57 Regional Weather Forecast. 7.40 pm Lou Grant. 11.50 Southern News. 11.55 Paris By Night.

TYNE TEES

9.00 am Cartoon Time. 9.15 Herculoids. 9.40 Thunderbirds. 12.13 pm North-East News. 5.40 North-East News. 11.55 The New Wife. 12.25 am Three's Company.

ULSTER

1.18 pm Lunchtime. 5.00 Sports Results 5.43 Ulster News. 7.40 The Incredible Hulk. 9.24 Ulster Weather. 11.50 Bedtime.

WESTWARD

9.25 am Look and See. 9.30 Stingray. 9.55 Gus Honeybun's Birthdays. 12.12 pm Westward News. 5.41 Westward News. 7.40 BJ and the Bear. 11.50 Police Surgeon. 12.10 am Faith For Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Mumbly. 9.10 Chips. 11.50 pm Marie Gordon-Price in Concert.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice 10.00 Peter Powell. 12.00 My Top 12. 1.00 pm Adrian Juste (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Tony Brandon with The Saturday Early Show (S). 7.30 David Jacobs (S). 8.02 Racing Bulletin. 9.30 Steve Jones' Open House (S). 11.00 The Kenny Everett Show (S). 1.00 pm The News Huddlines with Roy Hudd. 1.30 Sport on 2: Rugby Union: The Australian tourists play the North at Gosforth, plus news of the Thorn-EMI County Championship: Tennis: Daihatsu Tennis Challenge. Football: second-half commentary on the top game of the day, at 3.55; Doncaster Racing at 2.30 and 3.00: 5.00 Classified Football results; 5.45 Classified Racing results: 5.50 Latecomers' Football results check. 6.00 Country Style. 7.00 Jazz Score. 7.30 Big Band Special with the Radio Big Band (S). 8.00 Saturday Night Is Gala Night (S). 8.40-9.00 Interval: Teddy Johnson looks at the lyric writing of P. G. Wodehouse. 10.00 Nordring '81 (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 Bandstand (S). 11.45 I Know What I Like (S). 1.00 pm News. 1.05 Early Music Forum (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Endellion String Quartet (S). 7.30 BBC Welsh Symphony Orchestra (S) Part 1. 8.05 Henry James at the Derby. 8.25 BBC Welsh Symphony Orchestra (S) Part 2. 9.20 Clarinet and Piano recital (S). 10.00 Various Stages. 10.45 Morris Part choral music (S). 11.00 News. 11.05-11.15 Sena Jurinac (soprano) sings Mozart.

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; Programme News. 7.00 News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; Programme News. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From our own Correspondent 12.00 News. 12.02 pm Money Box. 12.27 I'm Sorry I Haven't a Clue (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-Minute Theatre (S). 3.00 Medicine Now. 3.30 Profile. 3.50 Enquire Within (S). 4.00 All that Jazz. 4.30 Does he take Sugar? 5.00 People and Places. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Fighting Talk. 11.00 Lighten our Darkness. 11.15 Not the Hills of Home. 12.00 News.

BBC RADIO LONDON

5.00 am As Radio 2. 7.30 News. 7.32 Good Fishing. 8.00 News, weather, traffic, sport 8.15 Weekend What's On. 8.30 Westminster at Work. 9.00 On the Rates. 9.30 Openings. 10.00 News. 10.02 All that Jazz (music by Sidney Bechet and Dizzy Gillespie). 11.30 The Robbie Vincent Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 6.00-5.00 am Join Radio 2.

LONDON BROADCASTING

6.00 am AM—With Jenny Lacey and Magnus Carter. 10.00 Jellybone with Rosie Kempston. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allan. 6.00 LBC Reports with Des Fahy. 7.00 Geet Mala. 8.00 Network. 9.00 LBC Special. 10.00 Nightline with Therese Birch. 1.00 am Night Extra. 4.00 Haynes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Graham Dene's Breakfast Show 9.00 Countdown with Peter Young 12.00 Dave Cash's Cash Country. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Greg Edwards's Soul Spectrum. 8.00 The Sounds of a City. 9.00 Capital Re-Cap with David Castell. 10.00 Roots Rockers with David Rodigan. 12.00 Midnight Special.

TV Ratings w/e Oct. 18

TV RATINGS Week Ending Oct 18
UK TOP TENS

BBC 1
1 Dallas; 2 To The Manor Born; 3 Bergerac; 4 Mastermind; 5 Mike Yarwood In Persons; 6 Juliet Bravo; 7 Blankety Blank, 3 The Monday Film: A Man Called Horse; 9 Larry Grayson's Generation Game; 10 Fanny By Gaslight.

ITV
1 Coronation Street (Wed) (Gran); 2 Coronation Street (Mon) (Gran); 3 This Is Your Life (Thms); 4 Benny Hill (Thms); 5 Only When I Laugh (Yorks); 6 The Morecambe And Wise Show (Thms); 7 Bullseye (ATV); 8 Hombre (ITV) 9 Crossroads (Tues) (ATV); 10 Crossroads (Wed) (ATV).

BBC 2
1 Burt Lancaster In The Midnight Man; 2 The Borgias; 3 Des O'Connor Tonight; 4 An Eighth Chance To See Not The 9 O'Clock News; 5 A Kick Up The Eighties; 6 M.A.S.H.; 7 Return To Paradise; 8 Forty Minutes; 9 Sergeant York; 10 Making M.A.S.H.

Figures prepared by Audits of Great Britain for the Broadcasters' Audience Research Board.

U.S. TOP TEN (Nielsen ratings)	
1 Dallas (CBS)	28.4
2 ABC Movie Special (ABC)	27.6
3 60 Minutes (CBS)	25.3
4 Jeffersons (CBS)	24.3
5 Dukes of Hazzard (CBS)	24.5
6 Alice (CBS)	23.6
7 M.A.S.H. (CBS)	23.1
8 One Day At A Time (CBS)	22.8
9 Three's Company (ABC)	22.3
10 Sallie And Son (CBS)	21.8

CHESS SOLUTIONS

Solution to Position No. 394

1 P-K6, PxP; 2 N-K5, Q-N2; 3 RxN ch! QxR; 4 QxP ch, K-K2; 5 B-N5 ch, K-Q3; 6 N-B7 mate.

Solution to Problem No. 394

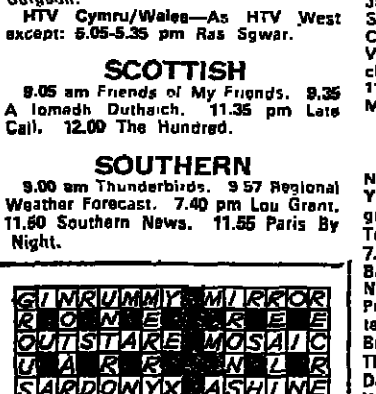
1 Q-QB8, K-K5; 2 Q-N4 or if N-K4: 2 B-N6, or if N elsewhere; 2 QKR8.

Solution and winners of Puzzle No. 4,700

Mr B. Armitage, 24, Fountain Street, Roberttown, Liversedge, West Yorkshire.

Mr I. F. Crookes, 250, Westferry Road, Millwall, London, E.14.

Mrs J. L. Monaghan, Dairy House Farm, Downhead, Shepton Mallet, Somerset.



OPERA and BALLET

COLISEUM. S. 836 3161. CC 240 5258. ENGLISH NATIONAL OPERA. Tonight 7.00: OTELLO. Tues. Fri 7.00: [illegible] FAN TUTTE. Wed 7.00: LOUISE. Thur 7.30: FIDELIO. 104 balcony seats avail. from 10 am on day.

COVENT GARDEN. 240 1066. [illegible]

THEATRES

[illegible]

COLLECTING

Booklets and other bits and pieces

STAMPS

JAMES MACKAY

IT USED to be said that philately only really became interesting when you began collecting all those bits and pieces other than stamps themselves, or, putting it another way, beginning where the stamp catalogues left off.

Of course, you might be taking quite a gamble by specialising in postal stationery, airmail labels or booklets but undoubtedly there were many bargains to be picked up among the unconsidered trifles, while there was no yardstick, such as a catalogue, by which to measure their true worth.

Nowadays there are specialist societies for this and study circles for that and many of them produce excellent periodicals and quite a few even publish catalogues and monographs. A sure indication that a sideline subject has arrived, however, is when the major catalogues find room for it in their already crowded pages.

Stamp booklets have been gradually creeping into the more specialised catalogues over the years. First, the booklets of the Commonwealth since 1952 were priced in the Gibbons *Elizabethan Catalogue*, and later the British booklets of earlier reigns were included in the Gibbons specialised volumes. Now interest in booklets is so pervasive that Gibbons are including a simplified listing in the latest edition of *Collect British Stamps*, published on October 30 at £1.65.

Interest in this subject has been forced on even the general collector, due to the increased use of mixed value booklet panes, with interesting side-by-side combinations of different stamps and phosphor band variations. The Post Office has deliberately fostered booklets as collectables by enlivening the covers with attractive pictorial motifs such as birds, historic buildings, flowers, famous people and industrial archaeology. *Collect British Stamps* now lists all booklets from the first Edwardian booklet which sold for a florin and a halfpenny (the halfpenny covered the cost of the booklet itself), right down to the 50p issue of August 1981, and records all major variations of contents and cover design.

A complete list of booklets issued in Norway is among the many improvements to the 34th edition of the Scandinavian *Facit Specialised Catalogue* published recently by Frimarkshuset AB at SwKr 88 and available from Stanley Gibbons, Vera Trinder and other leading philatelic booksellers. The entire section on Swedish coil stamps has been thoroughly revised. Authoritative articles on Swedish airmail cancellations and airmail labels by Orjan Luening, and airmails of the 1920s by Karin Raben continue the practice of including in-depth reports and analysis by experts to complement the normal listings. The Facit catalogue covers Sweden, Denmark, *Norway, Finland, Iceland*, Greenland, Faroes and the ertswhile Danish West Indies, which were bought by the U.S. in 1917 and are now known as the U.S. Virgin Islands.

The third edition of Gibbons' Specialised Great Britain Catalogue, volume 4—dealing with the decimal issues of the present reign, is due on November 20 at £9.50. Almost three years have elapsed since the second edition was published and in that period there have been major developments by the Post Office both in the presentation and the technology of British stamps. These are covered in the latest volume, notably the "all-over" phosphor definitives, together with the numerous variants on phosphorised paper. The problems involved in distinguishing between the two types of phosphorised paper are discussed and indications are given as to the stamps on which such variations occur.

The popular PHQ cards are priced for the first time, and there are copious notes now on the little-known foreign editions of the presentation packs. To counteract the growing complexity of modern British stamps, Gibbons have clarified their listings by completely resetting the catalogue in a clearer style without the complicated changes of type size found in previous editions. I am particularly glad to note that the confusing double-column listings of varieties and most of the abbreviations used in the past have also been abolished.

Of course, for those who still like the simple life, there is always the Gibbons *Stamps of the World Catalogue*, the 1982 edition of which has just appeared. At £17.95 it is not cheap, but it is now such a massive tome that my kitchen scales cannot cope with it. For the record it lists 216,000 stamps on a simplified basis, an addition of 6,000 over last year, and has 47,000 illustrations. Notable new listings include the Queen Mother omnibus issues of 1980 and several new countries make their debut—Benin and Bophuthatswana, Vanuatu and Venda.

The Gibbons whole-world catalogue has been around now since 1934 and has slowly evolved over almost half a century. One would hardly imagine that there could be room for a fresh approach, but Richard West, editor of *Stamp Magazine*, has come up with a really novel idea. The result is *The Whole World Stamp Catalogue* (Pan Books, £4.95) which concentrates on the current definitives, commemoratives and special issues of over 200 postal administrations. Over 4,000 stamps are illustrated in full colour. Stamp booklets, aerogrammes, postal stationery and even registration labels, airmail stickers and other ephemera are included. Location maps, addresses of philatelic bureaux, exchange rates and a glossary of terms add considerably to the value of this book which forms a handy reference work for those wishing to confine their interests to current issues.

The Phillumenist

BY JANET MARSH

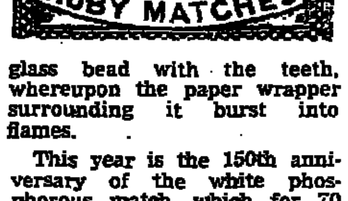
PHILLUMENY is a rather grand name for one of the most modest fields of collecting. Phillumenists, for those who don't know, are people who collect matchbox labels.

It is a venerable hobby: people have been collecting since the 1880s, which is why so many of the highly coloured pictorial labels of the period have survived. At a time when their elders were already spending money and scholarship on philately, the Victorian young quickly saw an equivalent—and much cheaper—form of collecting in these pretty bits of ephemera, discarded in great numbers.

There is still a rather old-world, clubby character about collecting matchbox labels, largely because they still change hands at least as often by "swaps" as by sales. There is a British Matchbox Label and Booklet Society, founded in 1945 and the largest of its kind in the world, with a regular magazine and an annual exhibition. In addition there are a number of smaller regional clubs.

Connections with overseas clubs—particularly in Eastern Europe where the pictorial matchbox flourishes as a recognised export and public relations medium — are vital. British matchbox label collectors deplore the tardy interest of Americans in phillumeny.

The hobby has arrived at a period when there are a lot of anniversaries to be celebrated. Five years ago it was the 150th anniversary of the first friction match, invented by John Walker, a chemist of Stockton-on-Tees. Three years ago it was the 150th anniversary of Samuel Jones's "Promethean" match: the rather dramatic recommended technique for igniting these was to break a



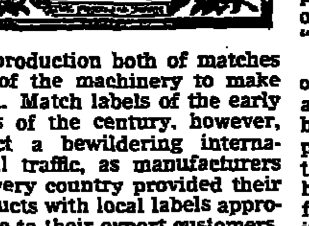
glass bead with the teeth, whereupon the paper wrapper surrounding it burst into flames.

This year is the 150th anniversary of the white phosphorous match, which for 70 years gave great satisfaction to users, while poisoning hundreds of match factory workers, until it was outlawed at the turn of the century. The discovery of the toxic effects of white phosphorous and the introduction of safer chemicals explains the proud boast of "non-poisonous" on many old matchbox labels. Other messages on boxes — "Heads will not drop off" or "To be avoided by people whose lungs are delicate"—vividly recall the strange hazards braved by early match users.

John Walker's box label, first used in 1827, is the phillumenist's equivalent of the Penny Black. It is a very plain piece of black-on-white letterpress, with a small puff of pride: "As used in the household of His Majesty King William IV." Three years later Jones's matches inaugurated the pictorial label with a primitive little wood cut of an Englishman and a Scot smoking together, attended by heraldic serpents and the royal arms.

Labels, however, remained modest and plain, generally simple letterpress, for most of the next half-century. Only with the growth of a highly competitive mass production industry, paralleled by the development of marketing and advertising techniques did the matchbox label arrive at its apogee.

Sweden, where A. Lagerman had first developed automated mass production of matches in the 1850s, never lost its lead in



the production both of matches and of the machinery to make them. Match labels of the early years of the century, however, reflect a bewildering international traffic, as manufacturers in every country provided their products with local labels appropriate to their export customers.

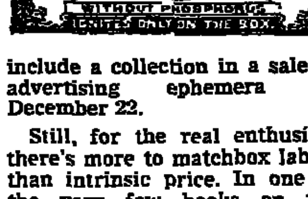
So we find "Diamond Jubilee," "Emperor of India," "Lord and Lady Curzon" and "United Kingdom" as brand names for Swedish matches; "Home Rule!" from Japan; "Smiling Prince" (Edward Prince of Wales) from Italy; and from Norway such undoubtedly British motifs as the Tower of London and, on the "Public Safety" label, a London bobby guiding a small girl across a horse-infested street.

Collectors tend to specialise. Commemmorative and propaganda labels are a particular, though elusive, favourite. Soviet exhortations to keep ahead of the Five Year Plan, American election slogans and Third World health advice have all been propagated on matchbox labels. During the war, the familiar and homely "England's Glory" box carried patriotic messages urging Britons to save or dig for Victory, to give their paper or metal salvage, to observe fire precautions, and to "keep mum."

Matchbox labels provide their own portrait gallery of monarchs and sportsmen, astronauts and ballet dancers, film stars and pop singers. It is an old tradition. Would Captain Webb have enjoyed such lasting fame for his 1875 Channel swim if it had not been commemorated for most of the next hundred years on a popular match-box label?

Tourist views (popular with Italian and Eastern European manufacturers) animals and birds, and book-matches advertising hotels and restaurants are the easiest of all to find, and quite the least interesting; but a collector has to start somewhere.

Matchbox labels still don't command any sort of substantial price; which is why they have by and large been ignored by the auction rooms' otherwise omnivorous "collectors'" sales. Exceptionally, Sotheby Belgravia



include a collection in a sale of advertising ephemera on December 22.

Still, for the real enthusiast there's more to matchbox labels than intrinsic price. In one of the very few books on the subject, Joan Rendell declares with the fervour of the true phillumenist, "For colour, variety and as a window on the world, few simple things of everyday life can offer more than the ubiquitous match-box."

GOLF

BEN WRIGHT

THE WORTHY burghers of Pensacola in the Florida panhandle never had it so good as they did last weekend. Their Pensacola Open, a $200,000 tournament that perennially brings up the rear and closes the season at Perdido Bay Country Club, is always ignored by television, and usually by the leading professionals, who have long since swollen their bank accounts to overflowing. Year by year the tournament has been chiefly notable for the last desperate efforts of those on the border line to achieve a coveted place among the top 60 money winners who are exempt from the dreaded Monday pre-qualifying throughout the following season, a privilege that is worth a small fortune in terms of mental and physical wear and tear, not to mention the financial aspect.

But for the first time this year the recipient of the Arnold Palmer award for the leading money winner, the Vardon Trophy for the player with the lowest stroke average, and the PGA Player of the Year award were all undecided going to Pensacola. So the four leading money winners, Tom Kite ($364,099), Ray Floyd ($354,926), Tom Watson ($345,660) and Bruce Lietzke ($$336,145) all arrived in town for the shoot-out. Open champion Bill Rogers, fifth on the money list at $315,411, could only move up two places if he won the event, and Watson andn Lietzke played poorly. To deprive Rogers of the Player of the Year award either Floyd or Watson had to win outright, so Rogers chose to rest on his laurels. If Watson was to win the tournament and Kite failed to figure prominently, the former would establish a fantastic record of winning the money title for a fifth successive time—only Watson has won it four times consecutively—and take the Player of the Year award for a similarly unprecedented fifth straight time.

Lietzke had to win the tournament to deprive Kite of the money title, and win it with a sensational score to rob him of the Vardon Trophy. Going in Kite's scoring average was 69.84 to Lietzke's 70.06. If Floyd could finish first or second he would deprive Kite of the money title as long as the latter didn't finish third. The stage was set for a fascinating weekend, and so it turned out.

Watson fired a first round 64 to lead Lietzke by three shots, Floyd by six, and Kite—perhaps under most pressure because he had the most to lose—by no less than eight. On Friday Watson threw everything away with a four over par 76 that was easily the worst score by any of the 79 qualifiers. Watson eventually finished in a tie for 22nd place, won a mere $2,000, and a bitter sweet season ended bitterly. It is incredible, but true, that since winning in Atlanta on June 7, Watson has won only $15,168 in more than four months, a staggering slump by any standards, let alone his own. On June 7 Watson, with $332,492 to his credit, led second-place Floyd by not less than $81,398.

To even make the cut at two under par Kite had to hole a full second shot at a par four hole for an eagle two and was deep in trouble, since Lietzke added a 68 to his first round of 67 to be only two shots behind the leader, Fred Couples. Floyd (70, 68—138) was handily placed for a weekend charge. But, having successfully ridden his luck Kite put his two remaining challengers away with ruthless brilliance in Saturday's third round, recording a 64, the only player to equal Watson's opening bid. Floyd duly moved up with a 67, but Lietzke's 71 put paid to his forlorn hope of dislodging Kite's grip on the Vardon Trophy. To fill Pensacola's cup to overflowing the city's favourite son Jerry Pate took command of the tournament with a round of 65 that, combined with his previous scores of 66 and 69, gave him a three round total of 16 under par 200. At 205 Floyd was a single stroke in front of Kite and Lietzke, who were tied at 206.

When Kite scored 69 on the final day to tie for third place behind winner Pate, alongside first year professional Couples —they both earned $11,600—he clinched the money title with $375,699. Floyd (73 for 278 and a tie for 10th) finished second with $359,359, Watson was third on $347,660 and Lietzke (70 for 276 and a tie for 5th) fourth on $343,445.

Kite, who won only one tournament, the American Motors Inverrary Classic in early March, also took the Vardon Trophy with a stroke average of 69.80, only the third player in the past 20 years to finish with an average below 70. Since the Heritage Classic at the end of March Kite has only once finished out of the top eight in 18 starts, when he tied for 20th in the U.S. Open. He finished in the top ten no less than 21 times in all, a magnificent performance for a man who is only five feet, eight and a half inches tall and weighs less than 11 stones.

*Those who believe that win*ning is all important, and I am one, will be relieved to know that Bill Rogers is the PGA Player of the Year, as well he should be. In addition to winning the Open Championship at Sandwich he won the Heritage Classic and World Series here, and in the full knowledge of what he was achieving, made sure of this coveted title by recently taking the Texas Open in his home state. Rogers also won the Suntory Open in Japan for the second successive year. As has Australia's David Graham, winner of the U.S. Open, Rogers has progressed from being a fine player into true world class in 1981.

A big one at last

FISHING

JOHN CHERRINGTON

JUST before the season ended, I had never caught a really big trout. Not, I might add, for want of trying, but because such creatures in my experience lurk in the depths, and only rise to the surface, if indeed they do, spasmodically. True my own capture was far from enormous, a mere six and a-half pounds. But in character and shape he was quite different from the usual run of rainbows.

I was fishing with a friend on a small well-stocked stream, where the water was, thanks to some farming operations upstream, opaque almost to the point of murkiness. It would be difficult, I thought, for a trout to see a fly through this, and I did not expect a rise at all. I was advised that this was a time for a nymph in any case, and I was furnished with a man-sized object, which looked like a river shrimp well magnified.

In spite of the colour in the water there was some movement, and I stalked the odd trout that I could see rising in among tree roots and other interesting and difficult places. I did not have any success at all, until I let the nymph search out the furthest crannies of the obstacles, and was rewarded by a two pound trout, very lively indeed, which I managed to steer clear of the weed and into the net.

A little further upstream was a gentle rise, impossible to see what it was in the murk, simply a break on the surface and a bubble or two. It was easily covered and after a few minutes the nymph was taken well down in the water. I did not think I had a particularly large fish. There was simply a steady pull and when I checked this the fish simply went round and round in circles, missing the weeds and the snags.

Eventually I managed to get it to the top and by the breadth of its back it was obviously of some size. I only had a four lb cast and I manoeuvered it gently into the net.

Although it was my biggest rainbow ever it seemed that he was like myself aged, fat and flabby and I am really not terribly proud of it. Particularly as a moment or two after I had landed it, the rise recommenced just where I thought I had caught that fish. Obviously the one in my basket was not the one I had been fishing for.

Now a real purist fly fisherman would, I suppose, have returned the one which had taken his fly in such obvious error and concentrated instead on catching the rising fish. But I am not so motivated. In any case by that time this fish was dead. Because it was white fleshed I am sending it to be smoked.

I don't really enjoy nymph fishing and have usually found that if a fish is nymphing near the surface he will take a fly as well as a nymph most of the time. And he will not necessarily take a nymph.

Indeed, on recollection most of my successes with the nymph have been what might be called accidental. Possibly not the same fish which I have been casting at all. Once the nymph has disappeared beneath the surface it is impossible to see what is going on and very often the upstream-cast nymph is in fact hanging down stream and behaving like a wet fly. This is a delicate question, but I do believe that it is very difficult indeed to float a nymph downstream in a natural manner.

CHESS

LEONARD BARDEN

AN ARRAY of grandmasters good enough for world title candidates made last week's Tilburg tournament the strongest of 1981 despite the absence of Karpov and Korchnoi. Interpolis Insurance have sponsored Tilburg for five years and this was the most competitive of the series.

How would the new Soviet star Kasparov, aged 18, perform against the leading GMs in the West? He proved brilliant but uneven, yet the tournament was still a sweeping success for the Russians. Alexander Belyavsky, 27, reigning USSR co-champion, scored the result of his life while the veteran Petrosian was unbeaten. In contrast several West Europeans disappointed, notably Tony Miles who failed to win a game.

Final scores were Belyavsky (USSR) 7½ out of 11, Petrosian (USSR) 7, Portlich (Hungary) and Timman (Holland) 6½, Ljubojevic (Yugoslavia) 6, Kasparov and Spassky (both USSR) and Andersson (Sweden) all 5½, Larsen (Denmark) and Sosonko (Holland) 4½, Hubner (West Germany) 4, Miles (England) 3.

Miles's setback, coupled with John Nunn's defeats at Johannesburg and Nigel Short's failure to win the gold medal at the world junior championship, has dimmed the hopes that Britain will have a live contender for Karpov's title in the reasonable future. A decade ago we were outside the top 20 nations in world chess, and there were no British grandmasters. Then the Slater Foundation announced special awards for the first five British GMs, and our talented young players had a worthwhile goal. I believe that a new incentive of this kind—say an award for the first British player to achieve a world rating of 2650+ and reach the Candidates—is now needed. At these rarified heights of skill, it is very difficult for an individual to compete with the state-backed Russians and East Europeans. Significantly the only Westerner in the top five at Tilburg is the beneficiary of a Dutch "Timman fund" to back his drive for Karpov's championship.

Tilburg produced an abundance of daring chess and this game by the tournament winner is a natural for brilliancy collections:

White: A. Belyavsky (USSR). Black: B. Larsen (Denmark). Caro-Kann Defence (Tilburg 1981).

1 P-K4, P-QB3; 2 P-Q4, P-Q4; 3 N-QB3, PxP; 4 NxP, B-B4; 5 N-N3, B-N3; 6 P-KR4, P-KR3; 7 N-B3, N-Q2; 8 P-R5, B-R2; 9 B-Q3, BxB; 10 QxB, KN-B3.

An inaccuracy which allows White's bishop a good development square. Better is Q-B2, when White has to settle for the more modest B-Q2.

11 B-B4, P-K3; 12 0-0-0, B-K2; 13 N-K5, P-QR4.

Larsen is noted for his rook pawn advances, but here he should try NxN or N-Q4.

14 KR-K1, P-R5; 15 N-N6!

The start of a series of tactical coups. If 15 . . . PxN; 16 QxP ch, K-B1; 17 RxP, Q-K1; 18 N-B5, QxQ; 19 PxQ and Black has no good defence to the threats along the K file, for example 19 . . . R-K1; 20 NxB, RxN; 21 B-Q6.

15 . . . N-Q4; 16 N-B5!

Now White has three pieces *en prise* but Black cannot take any of them. If 16 . . . PxN(N3); 17 NxP ch, or 16 . . . PxN(B4); 17 NxB, NxN; 18 B-Q6, or 16 . . . NxB; 17 NxNP mate.

16 . . . B-B1; 17 B-Q6! R-KN1. BxB allows mate in one, while PxN allows 18 NxP ch, BxN; 19 QxP mate.

18 P-QB4, N-N5; 19 Q-KR3. PxN.

The simple threat 20 NxB, NxN; 21 BxN at last forces Black to accept the sacrifice.

20 RxP ch, K-B2; 21 PxP ch! KxR; 22 R-K1 ch, N-K4.

If 22 . . . K-B3; 23 N-K7! BxN; 24 R-K6 ch, K-N4; 25 P-B4 mate.

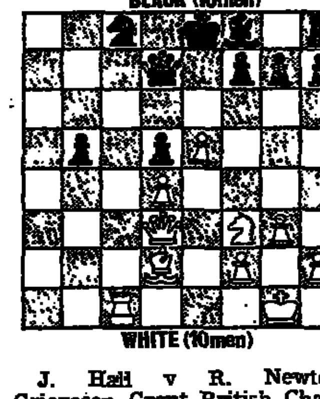
23 BxN.

White's last is more precise than 23 RxN ch, K-Q2. But now the threats include NxP db ch followed by Q-K6 mate or B-B7 ch winning the queen; while if Q-N4 ch; 24 B-B4 dis ch.

23 . . . Resigns.

POSITION No. 394

BLACK (10men)

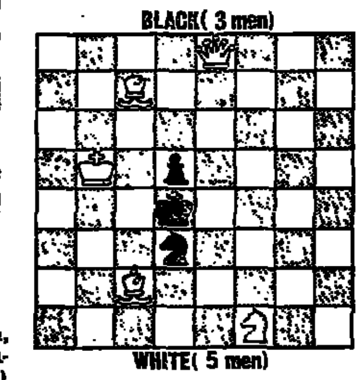


WHITE (10men)

J. Hall v R. Newton, Grieveson Grant British Championship 1981. White (to move) faces a recurring practical dilemma: His lead in development will disappear unless he can transform it into something more concrete before Black can play B-K2 and 0-0. How should the game go?

PROBLEM No. 394

BLACK (3 men)



WHITE (5 men)

White mates in two moves, against any defence (by G. Heathcote, 1894).

Solutions Page 18

BRIDGE

E. P. C. COTTER

TODAY'S OFFERINGS are two hands from rubber bridge. Here is the first one, which we might call **The Rabbit:**

N
♠ K J 8 2
♡ K 7 3
◇ K 10 6
♣ A 10 7

W
♠ Q 5 4
♡ Q J 10 9
◇ 8 7 2
♣ 9 4 3

E
♠ 7 6
♡ 8 6 5
◇ Q 9 5 3
♣ Q 8 6 2

S
♠ A 10 9 3
♡ A 4 2
◇ A J 4
♣ K J 5

South dealt at a love score, and opened the bidding with one spade, though one no trump is perhaps a better choice. North replied with two clubs, preparing for a delayed game raise, and South rebid two no trumps. North might well have raised this to three no trumps, but he said four spades, which became the final contract.

Some years ago at Crockford's my opponents bid seven spades vulnerable. The outlook was black—my only asset was Queen and another trump. Then I remembered that the declarer was a Queen over Knave addict. A moment or two later I had made my spade Queen to set the contract, and on the next hand we bid and made a grand slam to end the rubber.

You ask: why this exordium? Because the present declarer was also a follower of this cult, as you will see when I tell you how the play went. West led the heart Queen. South won with dummy's King, cashed the spade King, and finessed the ten in hand. West won, and led the heart Knave to the Ace. South drew the last trump, cashed the diamond Ace, and finessed dummy's ten, losing to the Queen. East returned a heart, and West got off play with a diamond.

Winning in dummy, the declarer, faithful to the last, led a club to his King, and then finessed the ten on the table. Once again East had the Queen, and the contract was lost.

This was a ridiculous performance. The contract is on ice. At trick two the declarer should return a heart to his Ace, and exit with a third round of hearts. West is endplayed and must "find" one of the minor suit Queens, by leading a club or a diamond, or concede a ruff discard by leading his remaining heart.

For bridge of a different calibre we turn to **The Tiger:...**

N
♠ A Q 9 5
♡ Q 8
◇ 5 2
♣ A Q 8 4 2

W
♠ K 10 8 7
♡ 5 3 2
◇ Q 6 4
♣ J 7 5

E
♠ J 6 4 3 2
♡ 7 6
◇ J 9 7 3
♣ K 10

S
♠ —
♡ A K J 10 9 4
◇ A K 10 8
♣ 9 6 3

With both sides vulnerable, South dealt and bid one heart, North replied with two clubs, and South rebid two diamonds. North now said two spades, a responder's reverse, which is forcing. South jumped to four hearts, and North raised to six hearts.

West shrewdly led a trump, which stopped any idea of ruffing two diamonds on the table, and South won with dummy's eight. The Ace and King of diamonds were cashed, and the ten was ruffed with the trump Queen. Declarer returned to hand by ruffing a spade, and drew the trumps.

The slam is a certainty if the club finesse is right, but this declarer was a great believer in getting help from the enemy—he liked his opponents to do his work for him—so he played the nine of diamonds. If West's Queen was a false card, and he obtained the lead with the Knave, then the contract would depend on the club finesse. As the cards lay, East had to win, and was endplayed. A return in either black suit would establish South's twelfth trick.

South played well in not cashing the spade Ace too early. This would have destroyed the double tenace position.

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An autumn of discontent

"IF PESSIMISTS aren't happy now, they never will be" as an anonymous wit put it on a wall. Except for the jubilant supporters of the new central political alliance, it has been an appalling week after a series of dreadful ones. The government now seems to be fumbling in the dark, for all the brave talk in Blackpool, and the Croydon result will certainly stiffen the will of Tory dissenters. Threats of strikes at British Leyland and among the tanker drivers are reminders of the bad old days. Not surprisingly, the markets are taking a dim view of all this, and only determined official support at the short end of the money market is preventing a still further rise in general interest rates. Talk of recovery is largely forgotten.

Irrational

The political problems of the Government were only to be expected in the bleak mid-term, and the startling rebuff to the Labour party may be a healthy deevlopment, for it will consolidate the counter-attack by the moderate wing of the party. On the economic side, however, the troubles are all the harder to bear because they are unexpected and even seemingly irrational. Interest rates should not be near an all-time peak when Britain is in deep recession, and the U.S. economy is weakening daily, while inflation rates are tending to edge down.

Analysis suggests that these troubles are partly transitional. In the UK, the effects of the civil service strike, and of the subsequent decision to pay VAT rebates before taxes are collected, is responsible for a good deal of the trouble. The markets have been flooded with liquidity for much of the summer, and this has been a major cause of the downward slide in sterling. It is the weakness of sterling which has forced the authorities to allow rates to rise.

The heavy shortage in the money markets in recent days is a sign that the fiscal tide is now turning, more or less on schedule; and past experience suggests that the exchange rate will respond after a short time lag.

The Bank of England can therefore intervene with some confidence both in the money markets and the exchange markets. It may even be able to emulate the achievements of the Bundesbank, and clear a handsome profit on its market interventions

The effects of the civil service strike are proving far graver than anyone in authority cared to admit while the dispute was in progress, and go far to account for the low morale of businessmen and Ministers, but they are temporary.

The problems of the U.S. are deeper-seated, for the economic policies of the Administration do not add up to a coherent whole, and Wall Street is vividly aware of it. The rapidly growing Federal deficit—which is essentially a deficit on current spending, a state of affairs which even the most expansive British Chancellors have avoided—is swallowing up a large share of the available financial savings in the U.S. economy, and the bond market is suffering the deepest depression.

In due course this deficit seems likely to be reflected in a yawning deficit on the U.S. current account, and oddly enough this may relieve some of the recent stresses. U.S. monetary policy is inward-looking, and a current deficit tends to drain money out of the economy. The U.S. authorities do not usually offset more than a small proportion of these flows, and thus allow the deficit to contribute to controlling the money supply; interest rate policy can be correspondingly more relaxed, as in the mid-1970s.

This effect is greatly assisted if foreign central banks mop up the excess of dollars in their own currency markets, recent remarks from Herr Poehl of the Bundesbank and Professor Lamfalussy of the Bank for International Settlements suggest that intervention will be increasingly vigorous.

Meanwhile two other sources of financial strain are beginning to dry up. The German balance of trade is rapidly improving, reducing the need to maintain high interest rates to attract foreign capital. Still more important the Opec surplus, the counterparts of deficits all round the world, is rapidly receding from its post-1979 peak.

For all these reasons the international financial disorders which have proved so disruptive during 1981—Professor Lamfalussy has calculated that exchange rates have never been more volatile—may be past their peak.

Public spending

For the ome economy, the outlook is less encouraging. The Cabinet's admission of failure to check the growth of public spending is hardly surprising, given the continuing rise in unemployment and the troubles of the nationalised industries in depressed markets.

Indeed, a rise in spending and in the deficit could be a built-in stabiliser for the economy, as the Government's own chief adviser has argued in the past. The voters of Croydon may even have spared us a determined attempt by the Treasury to offset the rise in spending through further tax deflation.

However, there is still a good deal of deflation to come from the squeeze on personal incomes which has been tightening since the Spring; Hoover is not the only company which will despair of any timely market revival. It looks like another winter of discontent—but just possibly the last.

POLITICS TODAY

Alliance with a capital A

By Malcolm Rutherford

THE FIRST thing to be said about the result of the by-election in Croydon North West is congratulations to the Liberals. They have kept their side of the bargain. They have delivered.

Not long ago, when the Social Democrats were enjoying their itinerant conferences around the country, there was a tendency to look down on the Liberals as the poor relations of the alliance. "I wish," one SDP MP remarked, "that someone would defect to them for a change—just to boost their morale." Crumbs, as it were, from the rich man's table.

And just imagine what it would have been like if Mr William Pitt, the Liberal candidate, had lost. There would have been recriminations all over the place. The Social Democrats would have blamed the local Liberal organisation for insisting on sticking to its own man, who had been thrice beaten before. They would probably have blamed Mr David Steel, the Liberal leader, as well for failing to get his way at the local level and Mr Steel would have had to accept a share of the censure. His original instinct was that Mr Pitt should stand down in favour of Mrs Shirley Williams. The alliance, in short, would have been a bit tattered at the edges, uncertain of where to go next.

None of that has happened. The Liberals have shown that they have something to give that goes beyond the popular standing of Mr Steel in the country. They provided an organisation

It's the idea of the Alliance that appeals

from the grass roots and mobilised the votes in a way that the Social Democrats alone would scarcely have been capable of. And they won with a candidate who, six months ago, can never seriously have expected to sit in the House of Commons. It is much more likely now to be an alliance of equals.

Alliance is the key word. In future it should always be spelled with a capital "A." It is very striking how the word has slipped into the political language. On polling night the television commentators were using it all the time: hardly any references any more to "Liberal-SDP," just the Alliance.

That is very important. Mr Steel and his close adviser, Mr Richard Holme, always insisted that that was the way to get through to the electorate. The Social Democrats used to be a bit snooty about it, preferring to keep the Liberals slightly at arm's length or at least to emphasise their own separate identity.

Now we know: it is the idea of the Alliance that appeals. It is very difficult to be against the term in principle. The opposite of alliance is something like conflict, and who would vote for that?

There are, in turn, implications for the future co-operation between the two parties. From the start, Mr Steel has wanted a joint manifesto when it comes to the general election. His case has become much stronger. Separate manifestos could create dissension, leading to questions about how the parties could work together. It will be much better for them to develop the unity that already exists.

Even the idea of something approaching a full merger, which one suspects has always been at the back of Mr Steel's mind as well as that of Mr Roy Jenkins, the SDP's most seasoned campaigner, cannot be completely ruled out. At the very least, it has been established that it is an Alliance ticket that wins. It would be foolish to do anything to devalue it.

The congratulations to the Liberals apart, what does Croydon tell us? Less than meets the eye. Sceptics, by which I mean anyone with a tolerably good memory, will recall that there have been spectacular by-elections results before only to be reversed at the next general election. Only the Alliance is new, though we should not underestimate that.

For the Labour Party, the result was little short of disastrous, but it was still short. The last time the Party made a gain in a Parliamentary by-election was in Bromsgrove in 1971 and the time before that was in Rutherglen in 1964. If it had won Croydon North West, it would have had some claim to saying that it was reversing a historical decline. In fact, it won only 26 per cent of the vote—against 40 per cent in the general election of 1979, and despite having, in Mr Stan Boden, an excellent candidate, fully versed in the local issues.

There were some special factors. The elections to the Greater London Council earlier this year already showed that the swing to Labour from the Conservatives is less in London than it is elsewhere. Mr Ken Livingstone, the left-wing Labour leader of the GLC, appears to be deeply resented by large numbers of Londoners.

A Gallup poll taken in the constituency last weekend suggested that rates had become the local electorate's main concern. The supplementary rate demands landed in Croydon during the by-election campaign and without complementary benefits in the form of cheaper underground fares: Croydon is not on the underground. It seems that the Conservative Government is doing very well in blaming the increase in rates on high spending local authorities without reaping much ignominy for cuts in social services.

My own view is that the evidence from Croydon that Labour is in a state of permanent decay is persuasive, but not yet conclusive. Two and a half years—the maximum period before the next general election—is a long time in which to recover. And one should never forget that Labour could win a general

Trevor Humphries

Mr William Pitt and Mr Bill Rodgers: a new unity

election with little over 30 per cent of the vote across the country because of its concentration in particular areas.

As for the Tories, they are congratulating themselves for having come second. Most of their leaders, when asked, confessed that they would have preferred Labour to win rather than the Alliance. That would have suggested that there was still a two-party system and that the old politics were still dominant.

Yet to win 30 per cent of the vote in mid-term, and to push Labour into third place, are hardly grounds for despair. It can be argued either way: it is worth pressing on with existing policies because the electorate appears from Croydon to have a greater appreciation of them than has been sometimes suspected or, that if the Party were to move back to the centre, it would have a greater chance of checking the advance of the Alliance. There is, as yet, no clear-cut answer.

The BBC computer predicted that if the Croydon result were repeated on a national scale in a general election, the Tories would win nine seats, Labour 137, the Alliance 469 and others 20—slightly better for the Tories than the projection after the Warrington by-election last July which reduced the Tory representation to one.

None of that is quite as fanciful as it sounds. The fact is that if you have an electoral system essentially designed for two parties, and which then has to accommodate three, all of them running almost neck and neck, almost anything could happen.

It would be quite useful to test MPs' opinion on the merits or demerits of proportional representation during the lifetime of the present Parliament. The Social Democrats are talking about doing just that by attaching an amendment to the Bill seeking to increase representation from Ulster. It will be fascinating to see how the Tories split, if the amendment is called.

Politics, however, can change very fast. The polling in Croydon has distracted attention from other events this week which may be just as important: a possible further rise in interest rates, the threatened demise of British Leyland, the Government's new determination to privatise the oil and gas sector yet, at the same time, to acknowledge as a virtue that it is actually increasing public expenditure and, not least, the increasing gulf between Western Europe and the U.S. over President Reagan's approach to nuclear weapons.

The most striking conversation I had was with a senior Government Minister who spent his time criticising Mr Reagan for his remarks about limited nuclear war. "He means limited to us," as Mr Michael Foot, the Labour leader, put it in a speech in Croydon. The peace movement, even some Tories admit, now needs to be taken seriously, not least by the Americans. For what is at stake is the future of European-American relations.

The Social Democrats—the Alliance—have grown up very quickly, almost precociously. Their performance differs from previous Liberal revivals in that the opinion polls show that they have support across the country and across the classes. In the past, the Liberals could win a by-election (say, Sutton and Cheam), but still trail nationally.

That is no longer so. There is now a consistency, shown not only by the polls but also by the local by-election results. The Liberals and the Social Democrats have been winning these by-elections to a remarkable degree, and without any great local frictions between the two parties. The SDP won one in Crosby, where Mrs Williams will carry the standard next on Thursday.

It is also the case that the Liberals and the Social Democrats now form the largest third party group in parliament since before the second world war.

Yet growing up brings responsibilities. The Alliance has not yet answered the question: an Alliance for what? What one would like to know, for example, is what the Alliance thinks about British Leyland. Would it let it go under, or would it pay more money? It is all very well having general principles and avoiding specific commitments, but politics is about what happens to principles in hard cases and under pressure. So far the Alliance has stayed out of the fight. It is a luxury which it cannot expect to enjoy much longer, especially given its now abundant opportunities to say something in parliament.

For the Alliance, there was

Slightly worrying point for the Alliance

one slightly worrying finding in the Croydon Gallup poll referred to above. Potential Alliance voters were asked if they were voting for their party because they liked it. Only 25 per cent said yes. Nearly 60 per cent said that they were supporting it because they disliked the other parties.

That is the evidence for it still being a protest vote in mid-term, albeit in Croydon drawn almost equally from Tory and Labour supporters. One should also not overlook the fact that the turn-out was quite small—about 10 percentage points lower than in the last general election.

It still seems possible, as it has from the start, that the Alliance could win the next election outright. The question remains of whether it would then form a better Government than its predecessors. It needs to reflect on what went wrong in the past as well as the prospect of power.

"The BBC computer, for what its worth, predicted that on the basis of Croydon in a general election the Tories would win 9 seats, Labour 137, others 20—and the Alliance 469."

A graph in the feature on BL in the Financial Times of last Saturday, October 17, compared average UK earnings of Ford and BL semi-skilled production line workers. The graph was prepared on information supplied by the companies. The Ford average related to wages paid to workers on alternating night and day shifts, while the BL figures related to day shift only.

Letters to the Editor

Coal reserves

From Dr W. P. S. Tan

Sir,—So the Government is to refer the National Coal Board to the Monopolies Commission (FT October 20). I hope the Commission will take this opportunity to quantify, as far as is possible, the oft-repeated justification that by mining the unprofitable seams, coal recoveries would be stretched. The question is, by how much would it matter? If the unprofitable mines were to close and if no new mines are to be opened unless they can show a profit, assuming some wage and price scenarios, would the UK coal resources be reduced by one year, 10 years or 100 years, from the oft-advertised figure of 300 years?

W. P. S. Tan.
Old Smithy Lane,
Lymm, Cheshire.

Farm machinery

From the Secretary, Agricultural Engineers Association

Sir,—You allege (October 8) that farmers have experienced difficulty this autumn in obtaining spares for agricultural machinery. The Agricultural Engineers Association has not been able to confirm this after consulting a wide selection of manufacturers and importers. Isolated cases of delay in the delivery of spares have no doubt occurred but the flow of spares remains undiminished and dealers are continuing to provide a very efficient service. It would be surprising however if some strain had not been imposed on the spares service this year. Firstly because dealers have been placed under heavy financial pressure as a result of a reduction in the volume of sales. Secondly farmers who have bought new machines have forced the dealer to accept substantial discounts on the advertised price. This should have made uneconomic the keeping of large stocks of spares. Nevertheless, on the basis that the present economic conditions are short lived, dealers have made every effort to maintain their stocks of spares to the traditional levels. It is only on the instruction of the dealer that a manufacturer would supply spares to the farm direct.

The isolated cases in which problems have arisen are probably the result of requests for slow-turnover spares which are in greater demand as farmers struggle to extend the life of machines which in days of lower interest rates they would have replaced with new.

Michael Drake.
6 Buckingham Gate, SW1.

The dogs of war

From Mr A. J. M. Price

Sir,—Denial of happiness and companionship may not be as bad as denial of freedom or terrorism but it runs them a close second. And that is exactly what Mr A. P. Farmer (October 15) wants when he asks for a £500 dog licence.

Dogs are neither people nor things. They bridge a gap that in too many lives is empty. They bring warmth, friendliness and loyalty, often at times when it is badly needed. There are many lonely people in this world, and you don't have to be old to be lonely.

As chairman of the Birmingham Dogs Home I cannot give an official view, but my private view is that dog licence fees should be £5 per year and that local authorities should be encouraged to carry advertisements for pet products on their annual reminders, to make the collection of moneys self-liquidating so that the £5 per dog (pensioners exempt of course) could make a valuable contribution to the hard-pressed ratepayer.

A. J. M. Price.
Warwick Crest,
Stonehouse Drive,
Little Aston Park,
Sutton Coldfield,
West Midlands.

Private gas

From Mrs Juanita Arnold

Sir,—Although you greet with adulation (Leader, October 20) the recent Government decision to end the British Gas monopoly of UK natural gas in that same article you also make the point that the price of gas which has been held artificially low (to both industrial and domestic customers) will, in consequence, rise, and further, that as a result of higher prices paid to the producers exploration and production of natural gas will be encouraged.

It seems extraordinary that at a time when industry is struggling to survive you would wish another nail in its coffin in the form of greater expenses. In addition, any increase in production of natural gas will clearly accelerate depletion of reserves. Currently there is no efficient method of producing a substitute and until such time as there is would it not be preferable to employ some method of conservation albeit invoked by a baddie organisation like British Gas?

Juanita L. F. Arnold.
3, Kirklee Circus,
Glasgow.

EEC membership

From Mr P. Newman.

Sir,—Whilst Miss Needham's assertion that the majority of our citizens are opposed to EEC membership (October 13) may be correct, she appears to conveniently ignore that UK membership of the EEC was democratically endorsed by a referendum which gave overwhelming support for Britain's membership. Although this took place "after the event," it appears to vindicate the historic decision taken under Mr Heath's premiership for the UK to apply to join the EEC.

Paul Newman.
Claremont,
The Queensway,
Gerrards Cross.

Votes and rates

From Mr G. J. L. Magraw

Sir,—I read with interest the full-page advertisement (October 14) inserted by the Association of Metropolitan Authorities. Whereas there are certainly dangers in Whitehall having further powers over local authorities, I think these Authorities should realise that commerce, who pay a substantial proportion of rates, are disenfranchised.

Perhaps, therefore, the Association would have done better to address its publicity towards the voter.

Realising that it is unlikely that commerce will once again have a vote in local affairs, it is high time the Government changed the inequitable rating system. At present it is a direct disincentive to development, and a "tax" on labour intensive companies. Surely rates should be related to profitability.

Even this suggestion might not be to the approval of manufacturers, who presumably would prefer a local "sales tax" which would fall on imported goods as well as their own.

G. J. L. Magraw,
Managing Director,
Ravensbourne Motor Holdings Ltd,
135 Widmore Road,
Bromley, Kent.

Crime and punishment

From Mr Michael Woodhead

Sir,—Your contributor Justinian suggests that in future the criminal process may have to keep a much lower profile in dealing with all but the most unacceptable of criminal behaviour ("Test ruling before Scarman verdict," October 19).

There can be no doubt that criminals would welcome an even lower profile of policing and of the criminal process in respect of all types of crime, but does the rest of the community have to fall in with their wishes? How much further must we travel down the road of appeasement in dealing with lawlessness, before the will of the law-abiding majority reasserts itself?

Michael Woodhead.
Grey Walls, College Road,
Buxton, Derbyshire.

Christmas message

From Mr D. A. Cousins

Sir,—It was with interest that I read your report in your edition of October 20 regarding the ensuing battle over Christmas television ratings between the BBC and ITV.

I suppose that, together with thousands of other readers, I should be gratified to note that after proudly parading a list of so-called attractions that "Tradition will be observed with the Queen's Speech, a circus and even some religious services."

D. A. Cousins,
86 School Green Lane,
Fulwood, Sheffield.

Poland's plight

From Mr A. Arditti

Sir,—Hardliners, softliners, conferences, politbureaus, do not make crops grow, livestock multiply and factories produce. Could not Poland's creditors, among them the British banks, insist on and supply teams of experts from countries acceptable to the Polish Government and to Solidarity, say, Scandinavians, Swiss and some Hungarians or Yugoslavs who understand the system and make it work? Creditors have a right to exert some pressure in such an evidently hopeless economic situation and any improvement they could achieve would certainly do more to ease the political tensions than continued politicking accompanied by rising food and other shortages.

A. Arditti.
13, Home Park Walk,
Portsmouth Road,
Kingston-upon-Thames,
Surrey.

Sick benefit reform

From the Chairman, The National Federation of Self Employed and Small Businesses

Sir,—I refer to the article printed in Monday's edition of your newspaper under UK News headed "CBI wins sick benefit reform." It was not the CBI who achieved this success but the combined pressure from the small business organisations that obtained the majority concession from Government in this matter. The CBI entered the arena after much pressure had been exerted by the small business pressure groups. My own Federation has spent the last eighteen months constantly campaigning on this particular issue and has held meetings throughout the country and with Government departments and Government Ministers opposing the original proposals. I think it is time that the media recognised the tremendous part that the small business groups are playing in defending the self-employed and small businessmen from further onslaught from Government and Civil Service alike.

D. A. Dexter.
Rolleston House,
Bridge Street,
Horncastle, Lincolnshire

Loans to businesses

From Mr A. F. Bartlett

Sir,—I find it extremely difficult to reconcile the practical approach of the big five banks with their advertising slogans and indeed the attitude of Government in a recession with every effort apparently being made to assist the small business.

Despite the growth and success of one particular small company, in return for the provisions of a maximum £30,000 overdraft (some 3 per cent of turnover and the account usually in credit) the bank requires a fixed and floating charge, personal guarantees from the shareholders, monthly trading figures, and quarterly audited accounts. The net assets of the company comfortably exceed £100,000.

To complain publicly is to risk even tougher terms for there is no true competition as to sources of finance. Further, industry is still manacled by the principle and practice of lending against fixed assets—e.g., the European Loan Scheme for small firms being up to 50 per cent of the investment in fixed assets.

Where is the real support for the entrepreneur who is endeavouring to create wealth by imagination, hard work and personal application? Certainly not in our present system. Perhaps the U.S.

A. F. Bartlett.
9, Ardmore, Vicarage Road,
Leigh Woods, Bristol.

Swan and Edgar's planned closure, announced this week, shows that times are hard for Britain's department stores

Trying to put magic back into big stores

THE ANNOUNCEMENT this week of the planned closure of Swann and Edgar in Piccadilly Circus raises once again the question of the future of Britain's grand traditional retail emporiums.

Swan and Edgar is the second London landmark department store to fall a victim to the retail slump this year. Whiteley's in Bayswater closed last month. Moreover, Woolworths is soon to disappear from Oxford Street.

Other significant moves are in the works, notably contractions of Barkers in Kensington and D. H. Evans in Oxford Street, and a yet undefined redevelopment of Bourne's in Oxford Street. All this might suggest that the traditional department store is in inexorable decline against heavy competition from more efficient, specialist chain stores. But in reality the picture is rather more complicated.

Certainly, department stores seem to be suffering more than other retailers in the current recession and may have sustained their sales volume only by severe price cutting. The latest batch of interim reports from leading groups shows:

● House of Fraser, the country's largest department group with 110 stores, from Harrods to Rackham's of Birmingham, reported a marginal increase in first half profits to £1.29m before tax but this result is still well below the £7.8m earned in the first half of 1979.

● Debenhams, owners of Swan and Edgar and the second largest group, suffered a 6 per cent interim profits drop to £1.1m on top of a 75 per cent drop from £4.73m in the first half of 1980.

● UDS with 12 department stores and several specialist shops staged a brave profit recovery to £5.1m from a very depressed £2m last time but sales were lower. Even the much admired 18-store John Lewis Partnership managed only a fractional interim profits rise to £9.67m and Mr Peter Lewis, chairman, thought it unlikely that the group would match the 1980 performance in the year as a whole.

In the next rank of department store groups, the damage is much more disturbing. The Liverpool-based Owen Owen's losses soared from £387,000 to £1.6m in the first half. Liberty of Regent Street managed to reduce its interim loss from £438,000 last time to £278,000 but Grant Brothers of Croydon, which is having discussions that may lead to a bid, has been losing money for more than two years.

The traditional department stores operate at a number of disadvantages to the specialist retailers such as Marks and Spencer which this week reported profits up 25 per cent to £86m pre-tax. Usually, they occupy large, elderly buildings which are difficult to maintain, inconvenient for customers to get around and no longer in prime locations. Swan and Edgar's downfall, for example, is related to the lack of escalators in the store while Whiteley's declined because Bayswater had become an area for tourists rather than families.

The effect of these disadvantages shows up clearly in the comparison of some common financial yardstick in measuring retailers' performance. Wages, for example, absorbed 7.9 per cent of turnover at M and S last year but 13.7 per cent at House of Fraser. Rent and rates on Fraser's large prestige locations took 2 per cent of revenues while M and S was paying out only 1 per cent.

As well as having to employ more people, Fraser and other department stores also have to employ more funds for both their buildings and their working capital. Fraser, for example, turned its stock over only once every 8.2 weeks last year compared to once every 3½ weeks at M and S.

Glenn Copus

Queen Victoria would hardly recognise her favourite store

With these disadvantages, it is not surprising that many department stores have gone out of business. Although only the London store closings tend to attract notice, there have been big changes elsewhere in the country. R. W. Forsyth, the long-established Edinburgh group, is shutting its Edinburgh and Glasgow stores after losing £89,000 last year. Fraser has shut 25 stores in Scotland in the past decade.

Many other stores seem to survive solely because they are sitting, as they have for decades, on large freeholds. "If it hadn't been for that, you would have had a big shake-out years ago," Mr John Richards, an analyst at brokers Capel-Cure Myers, said.

However, this does not mean that department stores as we know them are a dying breed. Most have secured their future by becoming part of large groups which can then exploit the same efficiencies of common buying power and centralised distribution that helps the big chains. Indeed, the most significant change in the profile of British retailing in the past decade has probably been the decline of independent stores of all kinds. In 1979, for the first time, groups were taking a larger portion of trade than independents. Meanwhile, department stores appear to have held on to 5 per cent of the total market.

Department stores also have some competitive advantages, and the big investment programmes of the major groups testifies to their considerable confidence.

UDS, for example, is building a new £15m store in Basildon and has acquired properties in Slough and Uxbridge. Mr Stuart Lyons, managing director, dismisses the conventional wisdom that department stores can no longer compete on cost and price with the big multiples and he claims positive advantages over the smaller specialist chain groups.

"We can do the same amount of business on one site that a chain does in 100 small High Street shops."

However, most department stores accept that their cost must be higher than those of their chain competitors and so they have to find other ways of bringing in the customers and convincing them to spend money. That is the merchandising challenge many are now tackling vigorously.

Ian Rodger

A warmer welcome for the customer

QUEEN VICTORIA would hardly recognise her favourite store today. Down at Swan and Edgar in Piccadilly Circus this week, as news of the impending closure came through, there appeared to be an identity crisis.

Once the majestic West End flagship of the Drapery Trust (forerunner of the Debenhams organisation of today), the purveyor of fine silks and shawls, French cambric and lace to the cream of the carriage trade, it seems now to have borrowed a motto from a different sort of trader: "Pile it high and sell it cheap."

It is tempting to se the end of Swan and Edgar as a powerful symbol of the decline and fall of the department store—a great dinosaur felled by its inability to adapt to modern trading conditions. The truth, of course, is much less colourful. Swan and Edgar is closing because massive capital expenditure is necessary to modernise it and with only a short leasehold left, the Debenhams organisation could not see any prospect of an adequate return in the time available.

Nobody in the business denies that times are tough. The franker groups admit that times have been "bloody awful." Discount and chain stores are nibbling away at the edges of their business, and pressure on customers' disposable incomes is relentless. But many are fighting back.

The first cold draughts began to be felt towards the end of the 1970s when the strong pound drove away the tourists and stores woke up to find that many of their sales staff had forgotten how to sell, that the needs of their home customers had been neglected and the easy, fat days had made them lazy and complacent.

Some stores began to make radical changes. Harvey Nichols (which had become one of those impossibly beautiful stores, where the taste levels were as exquisite as the price tags were high) discovered that even its privileged Knightsbridge clientele couldn't afford such rarified luxury. Buyers were instructed to search around for merchandise that would be accessible to a wider group of people.

Even Harrods learned the hard way that there weren't enough titled, carriage-trade customers to keep its 13½ acres of selling space trading profitably. It embarked on a big programme of wooing back British customers and of "putting the glamour back into shopping," as Mr Aleck Craddock, the managing director, puts it.

When he arrived at Selfridges in August 1979, Mr Roy Stephens, the present managing director, found that the store was in dire need of a shot in the arm. Today it is in the middle of massive refurbishment, operating costs are being cut back and special exhibitions are being mounted in an effort to "put the magic back into shopping."

At United Drapery Stores, Mr Stuart Lyons, the managing director, believes that the modern department store, far from being outdated, is better equipped to cope with a fast-changing society than the more limited High Street shop. Apart from offering its customers a much larger range of goods, it can adapt fast to changing patterns of consumer spending

Debenhams has perhaps adopted the most aggressive and innovative approach of them all. It has tried to inject variety into the stores (in the form of shops within shops and a whole range of services from opticians and chiropodists to travel agents) and an aura of fizz and excitement so that the stores would be places where women liked to go because they felt flattered, welcomed, pleased.

So confident is Debenhams of the future that it has opened three new department stores this year and spent millions on refurbishing old ones.

John Lewis seems alone in believing (with a lot of justification) that it has got its mix right all along. It has had a consistent trading policy since it began way back in 1864 (the famous "never knowingly undersold") and the store insists that this is more than just a slogan: it is a real discipline on its buyers.

In sum, stores are being forced (and not before time, I hear you mutter) to realise that the customer really does matter. The days of "If it's not there, we haven't got it" and "there's no call for anything like that, dear" may be over.

Department stores now know that they've got to woo us with the keenest prices, the most dazzling selections, ever-changing ideas, efficient back-up services, reasonable credit and excitment to boot—for if not, fickle as we are, we'll pick up our purses and go elsewhere.

Lucia van der Post

Weekend Brief

After 53 years the Royal Exchange is back to work

The new London market in financial futures will start its trading next year in a building which has as weighty a past as any in the City. The Royal Exchange, with the Bank of England to its left and the Mansion House to its right, was founded as a meeting-place of merchants in the 16th century. Now, for the first time since Lloyd's took its insurance eastwards to Leadenhall Street in 1928, the Royal Exchange is back in the market-making business.

Three Royal Exchange buildings have stood on the site, each with the same structure of a central merchants' courtyard surrounded by commercial premises. The foundation stone of the first was laid by its financial backer Sir Thomas Gresham, in 1566, and the building completed three years later.

The original conception of a London bourse, modelled on that of Antwerp, had been that of Sir Richard Gresham, wealthy merchant and Lord Mayor of London, but it was left to his still wealthier son to put the idea into practice. It was Sir Richard who petitioned Henry VIII to build three London hospitals — including Bart's.

Glenn Copus

Part of the building opened by Queen Victoria

The Exchange was not an instant success—but a visit by Queen Elizabeth in 1571 brought hte popularity necessary to lease the shops on its upper level, and endowed it with the "Royal" title.

The Great Fire of London destroyed the original Exchange in 1666, though the cobbled floor survives to this day.

A second building arose under Edward Jarman's design in 1669. Behind it, and none too soon, Nicholas Barbon opened in 1681 his "fire office," an early step towards modern insurance practice.

By 1673, the newfangled joint-stock companies had spawned their jobbers, who mingled in the Exchange dealing in stocks and funds. By the 18th century they had their own "walk," or area of the Exchange. On other "walks" dealt the silk-throwers, the "Armenians, the Clothiers, the Droggists, the Scots" and other traders.

This was the peak of the Exchange's popularity as a trading centre. As the various circles of commodity traders expanded, so they sought their own private premises.

In 1720, offices in the Exchange were let to the Royal Exahange Assurance Company —now the Guardian Royal Exchange, and still based there, even though it was this company which footed the £45,000 bill when the second Exchange burnt down in 1838. In 1774, the Exchange became home to a fledgling insurance market which took its name from the Lloyd's coffee house in which it had originally met.

The third and present Exchange building is the work of Sir William Tite, designer of many railway stations. The foundation stone was laid by Prince Albert on January 17 1842, and the opening by Queen Victoria two years later was a grand society event. The new building cost £213,000 and an appeal had to be made to Parliament to cover the full cost. It took its general inspiration from the Pantheon in Rome. The central courtyard was open to the skies, left so at the merchants' request. Forty years later, the merchants changed their minds, and the present roof was built.

Since then, and since World War I, the merchants have drifted away to other roofs. The embryonic Mermaid Theatre took over the courtyard for the Coronation summer of 1953, and afterwards activity was confined to exhibitions, and greetings card sales.

The Joint Grand Gresham Committee, which comprises representatives of the Corporation of London and the Mercers' Company, has owned and maintained the building since the death of Sir Thomas Gresham's widow.

And so it is from the Gresham Committee that the financial futures marketeers have now secured their 18-year lease on the Royal Exchange courtyard.

The start-up costs will be £5m, the expected first-year running costs £1m.

Stealing a march on Japan

Has Clive Sinclair finally discovered the formula for commercial success? His agreement this week with the giant Mitsui trading company to market his hot-selling £70 ZX-81 personal computer in Japan suggests that he has—and that he has stolen a march on his toughest erstwhile rivals into the bargain.

The slightly built, soft spoken and self-effacing Sinclair has long enjoyed a reputation as a brilliantly innovative designer and daring entrepreneur. In the 1970s he launched a succession of "firsts" in consumer electronics products, including pocket calculators, a digital watch and a tiny television set.

But sadly, Sinclair's business follow-through did not always match his talent for invention. He was repeatedly unable to get products into trouble-free mass production before Japanese competitors moved in on the market in force and cut prices remorselessly.

When Sinclair launched his first low-cost personal computer, the ZX-80, in March last year, many others in the industry sneered at it as a toy. But he soon turned the tables on them. So far, he says, more than 200,000 ZX-80s and 81s have been sold and production is now running at an annual rate of 500,000 units.

Sinclair claims that he is now shipping more personal computers than anyone else in the world. The extremely low price of the ZX-81 means, however, that the value of his turnover is still far below that of companies like Apple of the U.S. whose cheapest—albeit more powerful—machine sells for around £600.

To keep costs down, Sinclair went for technologically clever, but simple design. Collaboration with Ferranti has produced electronic circuitry for the ZX-81 which can be engraved on only four silicon chips. That is one tenth the number used in more expensive personal computers.

From the outset Sinclair aimed to produce in volume for the world market. The ZX-81 is manufactured at a large factory in Dundee, Scotland, owned by the American watch company Timex. The scale of the plant enables output to be adjusted quite rapidly. The extensive use of mail order has cut distribution costs, though it also means that Sinclair users are not offered local service and maintenance facilities.

Sinclair, who is 41, says that sales of the ZX-81 have exceeded even his wildest dreams. But he is also aware that it is only a matter of time before his success invites competition. He aims to stay ahead by continued investment in advanced technology and keen pricing.

He is already planning a new personal computer with more power and facilities than the ZX-81, though at only a modestly higher price. One of its features is expected to be be a tiny flat screen developed by Sinclair, which will supplement or replace the television screen to display data.

He hopes to introduce the new machine in 1983. But before then he plans to launch a tiny pocket television incorporating the flat screen. Barely bigger than a packet of king-size cigarettes, it is expected to sell for about £50—the same price as a cheap black-and-white portable.

'English as she is spoke'

Decent English, it is widely supposed, has gone to the dogs. Regular campaigns are mounted against the popular confusion of "lay" (past tense "laid") with "lie" (past tense "lay"); and battle rages over "disinterested" and "uninterested." It is all very healthy, and great fun; and George Howard, BBC Chairman, says that Auntie is receiving more complaints about language than about sex.

Dr Robert Burchfield, chief editor of the Oxford English Dictionaries, has been sifting the evidence. With Professor Denis Donoghue and Mr Andrew Timothy he has spent two years examining the quality of spoken English on BBC Radio. (Television, watch out.)

English as she is broadcast is usually less formal, more colloquial, always more vulnerable to snipers than English as she is writ. Broadcasters have the added worry about pronouncing the stuff proper, like.

Now BBC Radio has a "house style" book: The Spoken Word. Compiled by Dr Burchfield, it is "an attempt to set down items of pronunciation, grammar, and vocabulary which lie in the controversial area."

Here is a quick, decisive guide to controversy ("stress on the first syllable"); privacy ("short i as in river"); February ("feb-roor-i, not feb-you-"). It prefers "complete" to "finalise," "homosexual" to "gay," "renewed" to "fresh" fighting in Beirut. It runs to 40 pages, including an index; and should find a way to every classroom and every newspaper, never mind the BBC.

Dr Burchfield is our Dr Spock of language. His Guide is as delightful, as wise, and as non-prescriptive as its author. English thunders on like a Juggernaut, regardless of presumed attempts to standardise it; beautifully resistant to rubbish. The late Alvar Lidell assumed, to his grief, that all broadcasters should speak R.P. (Received Pronunciation). The booklet's suggestion that "adjustments, especially in pronunciation, should be made as the need arises in each region," is a good housekeeping seal of approval upon 50 years of broadcasting which have not diminished regional differences of accent and pronounciation in the least.

That may pacify an Acting Programme Organiser at Radio Carlisle, quoted in an enchanting footnote: "If we pronounced everything the way suggested here, our Northern listeners would feel we're a bunch of poofters." He has no cause for worry; and we have no real need to worry about our language, which is in good nick. But take care over the use of "hopefully." It could get you shot at dawn on some newspapers.

The Spoken Word: BBC Publications; £1.95.

Contributors:
Robert Cottrell
Guy de Jonquieres
Gay Firth

Economic Diary

TODAY: Mr Michael Font, Leader of the Opposition, gives opening address at Low Pay Unit conference on wage inequalities at South Bank Polytechnic, London.

Monday: Bricks and cement production figures for the third quarter. Meeting resumes at ACAS between British Shipbuilders and the Confederation of Shipbuilding and Engineering Unions to discuss closure of the Robb Caledon shipyard in Dundee. Sir Keith Joseph, Education Secretary, attends Assistant Masters and Mistresses Conference at City Hall, Sheffield. EEC ministers conference with Spain in Luxembourg. EEC Foreign Ministers start two-day meeting in Luxembourg. West German bankers meet in London to discuss involvement in French companies to be nationalised. EEC Fisheries Council begins two-day meeting in Luxembourg.

Tuesday: ASTMS quarterly economic review published.

Thursday: CBI quarterly industrial trends survey for October published. Second quarter institutional investment figures issued. Final unemployment and unfilled vacancies figures for September. Employment in the production industries statistics for August published. Department of Employment announces details of overtime and short-time working in manufacturing industries for August and the stoppages at work figures (due to industrial disputes) during September. Quarterly estimates of employees in employment in the second quarter published. The Department of Energy issues energy trends. Mrs Thatcher meets West German Government Ministers in Bonn during two-day visit. OPEC meeting in Geneva to discuss oil prices.

Friday: Department of Industry issues the final car and commercial vehicle figures for September. EEC Finance Ministers start two-day informal meeting in London. Closing date for the Cable and Wireless share sale. Ford management responds to pay claim.

Clive Discount in loss

IN THE half year to September 30 1981 the discount house Clive Discount Holdings made an overall loss, after allowing for unrealised depreciation on assets held at the end of six months and redundancy payments relating to the closure of Clive Investments, the directors say.

The interim dividend is therefore to be missed and a final will be considered when the results for the full year are known. Last year an interim of 0.5p was paid per 20p share.

Mr N. H. Chamberlen, chairman, says the position has improved since the end of September but the company's stance remains very cautious in view of the extreme uncertainty in international markets.

In the year to March 1981 the company made profits—after rebate and tax and transfer to 1980 from inner reserves—of £1.03m (£4.16m loss) and paid a total dividend of 1.5p. At the time of the chairman's statement in May 1981 the current year had started well and good profits had been earned.

See Lex

Setback at Time Products midway

A SHARP erosion of profitability at Time Products, the watchmaker and retail jeweller, took the pre-tax figure down to £265,000 in the six months to July 31 1981, compared with £1.37m.

Nonetheless, the interim dividend is kept at 0.45p net per 10p share. Mr M. J. Margulies, the chairman, notes that sales of its wholesale distribution companies are starting to pick up. Last year the total distribution was 2.25p.

The profits include results for the Remex group which became wholly owned at the start of the year. For the comparable period it was treated as a 50 per cent associate, bringing in a £405,000 share of profits.

The performance of Remex is described as satisfactory, with its products enjoying considerable success. Demand is being well maintained and the chairman is confident about the result from this division.

Turnover of £25.73m includes external sales of Remex at £14.61m. The comparative £13.47m was not adjusted for a contribution by Remex from its £12.48m turnover then.

Tax of £70,000 (£386,000) left the attributable result at £195,000, down from £979,000.

The chairman stresses the difficulty of current trading conditions. In the period under review the retail trade was destocking and Christmas buying was being delayed. However, marketing efforts are being intensified and efficiency being improved so that the company can take full advantage of any upswing in UK business.

Once this happens the company is confident that it will continue its pattern of profitable expansion.

● comment

Time Products has been kept in profit by the continued success of its Remex manufacturing subsidiary in Hong Kong. Retailing in the UK has been a fairly dispiriting activity, but not nearly so much so as watch-wholesaling, where Time has suffered substantial losses in the first half. The outcome for the year hangs on the Christmas trade, which is apt to concentrate 25 per cent of annual turnover into two or three weeks. Indications of better orders in the wholesale wing raise hopes that this unbalanced turnover pattern may be further exaggerated this year. But on the most optimistic view, Time seems unlikely to make more than £1½m in the second half, suggesting—at yesterday's new low of 36p—a fully-taxed multiple of just over 20. In recent years, Time has justified that sort of rating on growth prospects; for the moment the shares are being lent some support by the prospect of a maintained dividend. The historic yield is 9 per cent.

Mettoy cuts deficit at interim stage

ON AN increased turnover of £17.9m, against £16.4m, the Mettoy Company, toy manufacturer, has reduced pre-tax losses from £2.17m to £1.62m for the 36 weeks to September 5, 1981.

Although the company is currently trading profitably, Mr A. J. Sheppard, the chairman, says he cannot do more than foresee a loss at the year-end. However, it should demonstrate a substantial improvement on the 1980 figures, when the pre-tax deficit totalled £3.48m.

At the interim stage toy sales in the UK had risen by 10 per cent over last year, but on the export side the high value of the pound made for very poor margins and export sales were nearly 25 per cent below 1980.

However, as a result of sterling's recent movements, the group's competitive position has significantly improved and the export business now shows signs of moving forward. By the end of September, cumulative export orders had risen to equal those of last year.

The group enters the last quarter of this year with total orders in hand over £1m greater than the same time last year.

It has however, experienced supply difficulties with one important supplier in the Far East, and although every effort is being made to overcome these in the important few weeks ahead, they have so far impeded progress.

Orders are being placed late, as in recent years, and it is on the continuing flow of these orders that the group's final results will depend.

There is again no interim dividend—last year the final was 0.1p net per share.

● comment

Although Mettoy's interim statement shows the company still to have been trading rather deeply in the red, slicing a further 14 per cent off shareholders' funds in the first six months, a trend of improvement does seem to have set in. Borrowings would appear to have been static, suggesting a capital gearing of just under 70 per cent, but there has been a slight reduction in the interest charge to complement a drop of almost exactly one third in trading losses. In the current half Mettoy is set to profit by a more promising level of orders and—following the erosion of sterling exchange rates—rather better export margins. The shares closed unchanged at 12p yesterday, capitalising Mettoy at just over £2.1m; after all, the shares are still underpinned by book assets of something over 30p.

Clayton Son & Co in deficit

THE CONTINUED decline in the capital goods market both at home and abroad caused Clayton, Son and Company (Holdings), the Leeds-based engineer, to slump to first-half taxable losses of £181,477 from profits of £270,571.

The interim dividend for the period to June 30, 1981 is being cut to 0.9317p net (1.3975p) per 50p share. Last year a total of 6p was paid on pre-tax profits of £612,637.

The directors see no prospect of an upturn in trading before the year end, and say the results for 1981 will be much reduced on 1980. The results of the Australian associate have, however, continued to improve.

The taxable figure was reached after profits of £116,605 (£51,704) from associates. There was a tax credit of £125,855 (£137,822 charge) including a charge for associates of £29,148 (£24,012). After minority debits of £10,972 (£486) and extraordinary credits of £50,905 (nil) the attributable balance emerged in the black at £6,255 (£133,235).

Allied Plant Group omits payout

A TRANSITION in the corporate structure of Allied Plant Group coincided with continued difficult trading in its remaining activities of plant hire and general contracting, and pre-tax profits were pulled down to £252,000 in the six months to June 30 1981, compared with £562,000.

The interim dividend is being omitted, with a decision on any distribution deferred until the full year's results are known. Last year a net total of 1.89p per 10p share was paid on a taxable surplus reaching £1.01m.

Mr Michael Heathcote, the chairman, stresses the "continuing uphill struggle ahead" and explains that in times of such uncertain trading it is difficult to assess the availability of profits before the results of associated companies are available.

Earnings per share are stated as 1.55p (3.35p).

The disposal of the housebuilding companies and industrial properties has been concluded, together with the acquisition of equity stakes in Allied Residential (a new listed company), Thames Investment and Securities and Protocol Engineering.

This has resulted in a strengthened balance sheet and improved gearing, Mr Heathcote says, putting the company in a position to take advantage of any future opportunities.

From the sales it received 2.75m shares in Allied Residential, and 200,000 shares in Thames Investment plus its £200,000 convertible loan note dated December 31 1983, and £2.4m cash.

In addition APG has bought from Thames 40 per cent of Protocol Engineering plus the site of its new structural engineering plant at Scarborough. This site will be passed on to an institution at the same price of £360,000 under a sale and leaseback agreement.

APG is also under contract to pay £175,000 as a second and final instalment to the vendors of M. Walker and Son, the Hull-based plumber and engineer. This will be in the form of £100,000 cash and 300,000 APG ordinary 10p shares, fully paid, at 25p each. Application will be made for these to be admitted to the Stock Exchange's official list.

Tax of £6,000 (£59,000) left retained profits at £246,000, down from £503,000. The results do not include profit shares from Protocol or from Allied Residential, in which it has a 27 per cent holding. Neither has allowance been made for the disposal of shares in Allied Housing Group and F. K. West, and of interests in industrial properties except those held as trading stock.

Aitken Hume rises sharply to £285,000

Pre-tax revenue of Aitken Hume jumped from £60,011 to £285,057 for the six months to September 30, 1981. Mr Jonathan Aitken, the chairman, says the outlook remains very encouraging and the board expects to report satisfactory progress for the year as a whole.

The increased half-year prospects reflect continued strong demand for the group's investment, corporate finance and other services, in addition to an initial contribution from the newly acquired banking subsidiary, Hume Corporation.

Since its acquisition, Hume has made significant progress in widening its sources of funds and in improving the terms on which these are obtained. A reorganisation of Hume's operations is now in progress and it is expected that this will have a positive impact on second-half results.

Gross revenue for the six months totalled £2.4m, compared with £68,012. The pre-tax figure was after loan stock interest of £64,475 (nil) and pre-acquisition profit of £91,962 (nil), but before tax of £88,657 (£18,303).

Stated earnings per share increased from 2.09p to 7.19p and the interim dividend is being raised to 1.65p (1.5p)—last year's total payment was 5.5p.

SPACEFARE SOLD

The Receiver for Spacefare, Mr Martin Spencer of Casson Beckman Rutley and Co., has sold the company, which traded as Carnaby Video, to Wynd Up Records of Woking, Surrey, a subsidiary of NSS Newsagents.

Mr Spencer said: "It was vital to effect a quick sale as a going concern in order to preserve the continuity of the major part of the business. This has in fact been achieved by highly satisfactory negotiations which have just been concluded."

F. Miller makes some headway

AN INCREASE from £849,071 to £908,859 in pre-tax profits is reported by F. Miller (Textiles), Glasgow-based clothing manufacturer, for the half-year to August 13 1981. Turnover was also higher at £3.95m compared with £3.55m.

Mr F. Miller, the chairman, says trading conditions have remained difficult. He says the problems are being tackled vigorously and he hopes the new design section will create extra business. Sales in the second half are slightly encouraging, but he expects pressure on margins to continue throughout the period.

The pre-tax figure was struck after interest charges down from £180,576 to £140,672. Tax was up from £401,754 to £443,932. The interim dividend is raised from 0.9p to 1p—last year's total was 2.2p from pre-tax profits of £2.32m (£2.07m). Dividends absorb £144,000 (£129,600), leaving retained profits of £281,337 (£278,117).

Highland Electronics in the red

IN THE second six months ended April 30 1981, Highland Electronics Group fell further into the red to finish the year with a pre-tax loss of £479,000, compared with a profit of £369,000 previously. Sales of this maker of electronic components edged up from £8.69m to £8.75m.

Mr Michael Cohen, the chairman, says group companies are now organised to make profits at lower sales levels. The substantial redundancy and reorganisation costs of this exercise have been written off in arriving at the trading loss.

Budgets for 1981-82 show a profit and all subsidiaries are achieving budget at present.

The year's dividend is being halved from 1p to 0.5p net per 20p share. The board believes that actions taken over the past months will quickly restore the group to profit.

Walter Jones's Ashford factory has been sold and the group's head office in Brighton was sold and leased back. These deals in June have allowed a substantial cut in overheads, reduced borrowings and strengthened shareholders' funds.

After a tax credit of £852,000 (£194,000 charge) stated earnings per share were ahead from 2.01p to 4.27p.

Allebone deeper in the red

Increased losses of £282,000 compared with £119,000 are reported by Allebone and Sons, footwear manufacturer and retailer, for the half-year to July 31, 1981. For the period the subsidiary Tandem Shoes showed losses of £351,000, but A. and S. (Footwear) earned profits of £69,000, against losses of £84,000.

Group turnover rose from £6.49m to £6.53m, although the contribution from retailing was down from £5.46m to £5.16m.

The interim dividend is again omitted—a single payment of 1p was made last year.

Mr Alan Allebone, the chairman, says the board has already started to implement measures to restructure the Tandem Shoes subsidiary, which are designed to ensure a return to profitability. But this move will have only a very limited impact on the results for the remainder of the year.

Extraordinary credits provided £72,000 (£149,000), leaving a retained loss of £210,000 (£30,000 profit). There is a loss per 10p share of 3.9p (1.6p).

No interim at E. Upton

A reduction in pre-tax losses from £108,110 to £80,670 is reported by E. Upton and Sons, the department store operator, for the 28 weeks to August 11, 1981. Turnover improved from £2.54m to £2.75m.

Following the omission of 1980-81 final dividend, there is no interim in respect of the current year (0.5p last time). Losses before tax for the year to January 27, 1981 were £51,210.

Tax credits for the first half were £39,498 (£54,000) and including an extraordinary credit of £35,783 this time—profit on the sale of freehold property—the attributable deficit was down from £54,110 to £5,389.

VINERS RIGHTS

Acceptances have been received in respect of 76 per cent of the 580,000 rights units of Viners. The remaining 139,358 units have been taken up by the underwriters.

J. W. Spear & Sons slump to £115,000 deficit

In the six months to June 30 1981 games and toy manufacturer J. W. Spear and Sons slumped to taxable losses of £115,000 from profits of £470,000, on increased turnover of £5.22m compared with £4.91m.

The interim dividend has been reduced to 2.5p net (3p) per 25p share while the losses per share are given as 4.7p (4.7p earnings).

The directors say the dividend reflects the adverse trading conditions experienced by the games and toy industry. Nevertheless, they are confident of an improvement in trading in the second half and of returning to profits for the year as a whole. The recent fall in the value of sterling has helped export margins and should improve prospects for 1982, they add.

In the absence of unforeseen circumstances they hope to maintain the dividend for the year at last year's total of 6p a share.

Tax took £61,000 (£272,000).

The comparative figures for last year consolidate the results of the SIO Group from March 20 1980.

Hawtin slides into £0.12m loss

FOR THE six months to July 31 1981 Hawtin, manufacturer and distributer of protective clothing and safety equipment, plunged from taxable profits of £229,000 to losses of £122,000 on lower turnover of £4.96m compared with £6.08m.

The directors say the poor results reflect the depressed conditions in the engineering and construction industries which use the company's products.

Losses per 5p share are given as 0.4p (0.44p earnings). Last year a single dividend of 0.25p was paid on taxable profits of £269,000 and stated earnings per share of 0.32p.

The pre-tax losses were incurred after interest payable of £85,000 (£205,000), and there were extraordinary debits of £235,000—the estimated costs of running down the manufacturing operations for polythene film and carrier bags.

Leaderflush dips to £59,592

Difficult trading in the year to March 31 1981 took pre-tax profits of Leaderflush (Holdings), specialist door manufacturer, down from £174,801 to £59,592, on turnover cut from £2.17m to £1.95m. Dividends, as last year, have been omitted.

The board considers the results satisfactory in regard to the business climate and says the company is well placed in awaiting an upturn.

Earnings per 10p share are given as 2.75p (4.7p). Attributable profits were £59,592 against £174,801, the latter after tax of £148.

Thames Investment first payout

PROPERTY developer Thames Investment and Securities, which is quoted on the Unlisted Securities Market, took pre-tax profits strongly upward in the year to May 31 1981, at £327,050 against £133,961.

A dividend of 2.5p net per £1 share is proposed, the company's first since its placing. Earnings per share are stated as 12.5p (9.2p) basic and 11.5p fully diluted.

Turnover was only marginally ahead at £2.46m (£2.45m). During the year the company sold its residential portfolio and concentrated on increasing the value of its commercial and industrial properties in the UK. It has also commenced trading through its wholly owned U.S. subsidiary.

Tax took £19,164 (£16,997). The £156,920 surplus on the repayment of a foreign currency loan, net of non-recurring expenditure, was credited as an extraordinary item. Last year debits of £10,073 were made at this level.

Dividends cost £84,710, leaving retained profits of £380,096, up from £106,891.

● comment

Thames Investment is very much in a state of transition. The residential interests have gone—to a new Tring Hall float—various properties have been acquired from its sibling, Allied Plant, further private deals have been undertaken to add to the retail and commercial portfolio and Thames has completed the spadework of a new series of deals in California. The forthcoming balance sheet, then, will be of historic interest only. The proforma statement of net worth, which the group says will represent only the early stages of various new developments, is expected to show that the shares, down 6p yesterday to 150p, stand at an approximate 20 per cent dicount to net worth. Bank debt has risen to about £4m and the two loan notes, both on a 10 per cent coupon, aggregate about £1.5m. Thames own net rent roll projections show that the year's net income of £322,000 has risen to a running total of £700,000 which will drop to £550,000 as the refurbishment of the new Lancaster Gate premises gets underway. The net annual rent roll is set to rise thereafter to £670,000 by May next year, on the group's own estimates, and to climb to £750,000 by August. Meantime, Thames is cleaning up and rationalising some of the smaller parts of the UK portfolio and expects strong growth from various Californian joint ventures. But a re-rating must allow the market time to digest this rapid change and form its own rental growth estimates.

Results due next week

Analysts of ICI can point to several reasons why the third quarter profits may be comparatively good for what is, generally, a weak quarter. The summer slow-down may be somewhat less marked than usual, if only because the earlier level of activity was depressed. Following the more rapid devaluation of sterling against the D-mark, export volumes seem to be rising, and there have been some helpful increases in UK selling prices.

Reductions in the workforce may start to show through in profits, while the burden of redundancy costs in this period should be smaller than in recent quarters. Pre-tax profits to be reported on Thursday should fall somewhere between £70m and £80m; majority opinion favours the higher end of the range. For the full year, forecasts are now scattered about the £300m mark, compared with £284m in 1980.

Predictions by analysts for Coats Patons, which reports interim results on Thursday, are widely spread, ranging from £29m to £38m for the half-year ending June 30, against £26.6m last year. The split is over the effects of currency translation, with those at the low end saying that the benefits of weakened sterling will be counterbalanced by the slipping cruzeiro, while those at the high end say sterling's weakness will provide an extra £5m in profits and be backed up by improved trading conditions.

However, analysts agree that U.S. contributions should be higher and in the full year, benefits of the sales of property should be £3m, against £8.8m last time. Full year profit predictions are more uniform, falling in the £70-£74m range, against £65.6m last time. The dividend is expected to be maintained with one vote for a 10 per cent increase.

The preliminary figures due from Brooke Bond Liebig this Tuesday are expected to mark a slight advance on the £37.2m before tax earned in the year to June 30 1980. Good margins in UK tea sales will have done something more than compensate for depressed prices available to the group's plantations. UK grocery businesses are expected to show a reasonable result for the second half.

The contribution from Mallinson Denny is thought most likely to be negative; the timber operation could be some £½m short of covering its financing costs. Although the company is still optimistic for 1982, analysts feel that it will prove difficult for Brooke Bond to make much headway.

The market is looking for £21m to £24m from Harrisons and Crosfield compared with £26.4m last time for the interim results due this Tuesday for the six months ended June 30. First quarter figures from Harrisons Malaysian Estates were disappointingly low, reflecting the difficult times for plantations. London Sumatra, which became a subsidiary in March, will not be much help as its profits have nearly halved. Profits from UK timber operations are well down, however, chemical activities have improved thanks to a recent U.S. acquisition and generally improved trading conditions. Income from associates should drop somewhat but interest charges, as a result of last year's rights issue, should come down to £3m

Earnings per share, however, will weaken but for some time the share price has been propped up by bid speculation from Malaysia. Currency translations should help the group in the full year, with analysts expecting £49m to £54m against £52m last year. The dividend at the interim is sure to be maintained while an increase could come through at the final.

Other announcements next week will include preliminary figures from Highland Distilleries (Monday), British Car Auctions (Tuesday) and Hepworth (Friday). Interims are due from Duport (Tuesday), London and Northern (Wednesday), William Press (Thursday) and UBM (Friday).

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Anvil Petroleum	Monday	—	—	—
Ben Bailey Construction	Thursday	0.44	1.0	0.44
British Car Auction Group	Tuesday	1.0	1.76	1.5
Brooke Bond Liebig	Tuesday	1.25	2.655	1.25
Burgess Products (Holdings)	Thursday	1.0	3.0	0.5
C.L.R.P. Investment Trust	Friday	1.6	1.9	1.6
Gomme Holdings	Wednesday	0.837	—	—
J. Hepworth & Son	Friday	0.79	3.0	0.79
Highland Distilleries	Monday	0.8	1.8	0.8
Linread	Friday	1.0	1.0	—
London & Prov. Shop Centres (Hldgs.)	Wednesday	0.5	1.5	0.6
North Atlantic Securities	Tuesday	1.75	3.05‖	1.75
New Sylhet Holdings	Friday	—	—	—
Priest Marians Holdings	Friday	—	5.74	—
S. Simpson	Thursday	1.3125	2.95	1.0
J. Smart (Contractors)	Thursday	0.66	2.3	1.0
Wood Hall Trust	Friday	—	6.211	—
INTERIM DIVIDENDS				
Advance Services	Wednesday	0.7	2.3	
Bambers Stores	Thursday	0.65	0.9	
Bishopsgate Trust	Monday	1.16667	2.16667	
Boosey & Hawkes	Wednesday	1.0	3.767	
Border Breweries (Wrexham)	Wednesday	1.3	3.6	
B S.G. International	Thursday	—	—	
George M. Callender	Wednesday	0.7	1.55	
Canadian & Foreign Inv. Trust	Tuesday	1.95	3.65	
Central & Sheerwood	Tuesday	0.75	0.3	
Chesterfield Properties	Wednesday	2.5	3.5	
Coats Patons	Thursday	1.4	2.6	
R. H. Cole	Friday	—	2.0	
Davies & Newman Holdings	Friday	3.08	6.16	
Dualvest	Tuesday	3.684	3.288	
English & International Trust	Tuesday	1.5	4.0	
English National Investment	Tuesday	1.75	2.79	
Feb International	Monday	0.66667	1.33333	
Harrisons & Crosfield	Tuesday	7.5	20.5	
P. C. Henderson Group	Wednesday	2.25	5.75	
Philip Hill Investment Trust	Thursday	1.8	4.3	
Hopkinsons Holdings	Thursday	1.5	4.15	
London & Northern Group	Wednesday	1.4	2.35	
Lunuva (Ceylon) Tea & Rubber Ests.	Thursday	6.0	59.0‡	
Modern Engineers of Bristol	Thursday	1.0	2.0	
James Neill	Tuesday	1.4	—	
Portsmouth & Sunderland Newspapers	Wednesday	1.0	2.29	
William Press & Son	Thursday	0.6	0.78	
Richardsons Westgarth	Wednesday	1.05	1.05	
Walter Runciman	Tuesday	2.5	5.0	
Save & Prosper Linked Invest. Trust	Thursday	9.12	7.31	
St. George's Group	Monday	0.85	2.15	
Stanley Miller Holdings	Friday	0.6	0.8	
Trust Union	Wednesday	1.5	1.55	
UBM Group	Friday	2.0	1.0	
INTERIM FIGURES				
Attwood Garages	Tuesday¶			
Duport	Tuesday			
East of Scotland Onshore	Friday			
Highgate Optical & Industrial	Friday			
Imperial Chemical Industries	Thursday†			
Weeks Associates	Thursday			

*Dividends shown net pence per share and adjusted for any intervening scrip issue. † Third quarter figures only. ‡ Includes a special dividend of 35p. ¶ Second interim figures (18-month period). ‖ Includes a special dividend of ½p.

BIDS AND DEALS

Hiltons asks for share suspension

Hiltons Footwear, the shoe retailer, yesterday asked for its shares to be temporarily suspended pending an announcement. The last trade was done at 144p, down 3p on the previous close.

Hilton's management proposed a merger with George Oliver (Footwear) on September 28 but has faced an unwelcome takeover bid from Ward White, the shoe manufacturer, since October 14. Ward is offering 145p per share in cash and yesterday bought 50,000 shares in the market at this price to lift its total holding in Hiltons to 1,120,320, representing 18.25 per cent of the equity.

Crosby House showing an interest in Jazerite

CROSBY HOUSE, a holding company with interests in freight, warehousing, container repair and general trading, is having discussions with Jazerite Holdings, a private company substantially owned by the Robinow family, with a view to acquiring the capital of Jazerite.

The proposed consideration will be new Crosby House shares and loan notes which are yet to be agreed.

The board of Crosby includes Mr R. M. Robinow, who also has an interest in Jazerite. It is expected, following completion of the deal, that the vendors of Jazerite will hold more than 30 per cent of Crosby House's enlarged capital. The City Takeover Panel consent to waive the bid obligation under rule 34 of the Takeover Code is being obtained.

Jazerite is engaged through subsidiaries in commodity trading, plantations and bulk storage of liquids.

Jazerite's interest in plantation agriculture is represented by its holding in Rightwise, which is engaged in the cultivation of tea, rubber and cocoa in Indonesia and Bangladesh.

Rightwise has a 68.5 per cent interest in the capital of Sampang (Java) Rubber Plantations, an unlisted UK company controlling a rubber estate in Indonesia.

The acquisition of Jazerite by Crosby House will represent, it was said yesterday, a logical development of the company's existing close association.

The proposed transaction involves no change in the ultimate control of either Rightwise or Sampang Java, and no offer will be made for the outstanding shares in either of these companies.

Pre-tax profits of Jazerite for the year ending December 1980 were £81,000 and gross assets £5.1m. The transaction will require the approval of Crosby shareholders at an extraordinary general meeting. On the London stock market, Crosby's shares were suspended yesterday at 135p, up 2p.

Winterthur bid unconditional

The offer by Winterthur, the Swiss insurance company, for Provident Life Association of London, has been declared unconditional as to acceptances.

Acceptances have been received in respect of 2,754,921 ordinary shares (58.15 per cent). Winterthur held 1,210,750 shares (25.46 per cent) prior to the offer.

QUEENS MOAT

As stated in the interim report, hotels group Queens Moat Houses continues to expand. The group has purchased the three star 40-bedroom Watermill Hotel at Hemel Hempstead, Hertfordshire, for £530,000. The acquisition is in line with the group's stated policy of concentrating on high-quality commercially situated hotels.

WESTMINSTER PROP.

The Westminster Property Group has completed arrangements for the acquisition of a property in Guildford for around £750,000. The property is situated in a prime position in the High Street, and consists of 6,000 sq ft of office space, and two shops, one of 10,000 sq ft and the other 700 sq ft. Its current yield is 8 per cent but taking account of the rent review pattern the yield rises to around 14 per cent in 18 months.

JOHNSON PURCHASE

Johnson Group Cleaners has paid $812,500 cash for a further 65 per cent of Apparelmaster Inc. of Ohio. This was not specified in yesterday's report.

Petrocon in sale to NEI

Agreement has been reached in principle for the sale of Petrocon Group's wholly-owned subsidiary, Ashford Controls, to Northern Engineering Industries (NEI) for £800,000 in cash.

In addition, a further sum amounting to a maximum of £100,000 may become payable in respect of prospective sales of technology.

Ashford's unaudited pre-tax profits for the six months to June 30, 1981 were £11,000.

ALEX HOWDEN

J. Henry Shroder Wagg and Co., advisers to Alexander Howden Group, sold 900,075 Howden shares at 145p on behalf of discretionary investment clients and 50,000 shares at 145p on its own behalf.

SHARE STAKES

Archimedes Investment Trust—Commercial Union Assurance has disposed of 100,000 income shares reducing holding to 20,000 income shares, which interest is not notifiable.

Textured Jersey—Prudential Corporation has acquired 292,500 shares making holding 387,500 (10.2 per cent).

Increase arises following recent conversion of 250,000 convertible reduced preference shares.

Amalgamated Distilled Products—Industrial and Commercial Finance Corporation holds 935,320 shares (5.4 per cent).

Tranwood Group—Joint holding of 525,000 ordinary shares by B. H. Atkins and Dr C. H. Nemeth (5.5 per cent) has been notified.

Permodolan buys more of AMC

Permodolan Nasional, the Malaysian Government investment institution, has increased its holding in Amalgamated Metal Corporation to over 6 per cent, following further purchases in the stock market.

Permodolan, which last month surprised the London stock market with its rapid takeover of Guthrie Corporation, is bidding against Preussag, the West German company, for the minority shares of AMC.

Permodolan is offering 550p per share cash for the 20.5 per cent of the AMC shares not held by Preussag, which values AMC at £34.5m. This compares with Preussag's offer of 440p in shares or 400p cash. The AMC shares closed unchanged at 550p in the market yesterday.

Preussag is expected to make a decision early next week on whether it will raise its offer. Meanwhile Permodolan is standing in the market to acquire all the AMC shares becoming available. On Thursday it announced it had acquired 5.85 per cent of the AMC shares and at the end of trading yesterday the holding had risen to over 6 per cent.

Trade Development Bank, which is acting for Permodolan, said that the amount of shares available for purchase was drying up. It appears that small shareholders are holding back waiting for the Preussag response.

Britannia Arrow to cancel share premium account

Britannia Arrow Holdings, the finance, property and publishing group formerly a part of Slater Walker Securities, plans to cancel its share premium account to meet the requirement of the 1980 Companies Act.

The £23.25m realised will be set against accumulated losses at December 31 1980 of £23.52m. Current profits will absorb the remainder.

The losses were reduced last year by £6.13m from £29.65m.

With the restructured balance sheet, Britannia will be free to pay a final dividend. It would otherwise have been restricted from doing so, having recently re-registered as a public limited company in compliance with the 1980 Companies Act.

Section 39 of the Act prohibits dividend payments by any company carrying losses from earlier years.

The group's latest pre-tax interim profits were up 110.5 per cent following an 87 per cent rise last year, and last month the group paid its first interim dividend, of 0.7p.

If the change is approved at an extraordinary meeting on November 16, the conversion price of outstanding 5¼ per cent guaranteed convertible bonds will be reduced from £3.33 per share to £1.20 per share.

The bonds are at present guaranteed by trust deeds precluding a share premium reduction. The Trustee has agreed to accept a guarantee from National Westminster Bank in favour of the bond holders as compensation for the premium's cancellation.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aitken Hume ......int.	1.65	—	1.5	—	5.5
Allebone ......int.	Nil	—	Nil	—	1
Allied Plant ......int.	Nil‡	—	0.84	—	1.89
Clayton, Son & Co. int.	0.93	Jan 4	1.4	—	6
Clive Disc'nt Hldgs. int.	Nil	—	0.5	—	1.5
Highland Electronics	0.5	Jan 8	—	0.5	1
Kinta Kellas Tin§ int.	5	Dec 21	35	—	85
Lond. Atlantic Inv. Tst. int.	1.75	Dec 18	1.75	—	4.75
Mettoy ......int.	Nil	—	Nil	—	0.1
F. Miller ......int.	1	Nov 30	0.9	—	2.2
J. W. Spear & Sons int.	2.5	Dec 30	3	—	6
Thames Inv.	2.5	—	—	2.5	—
Time Products ......int.	0.45	Jan 18	0.45	—	2.25
E. Upton ......int.	Nil	—	0.5	—	0.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Consideration deferred until year-end. § Gross—less Malaysian tax.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Bennett and Hallamshire, the UK coal, oil and property group, made an agreed £29.8m bid for Anglo International Mining Corporation. The bid will bring the total value of B and H's acquisitions since January to about £67m.

Jenks and Cattell, the small Midlands garden tools concern, launched a share exchange offer worth £6.85m for Elliott Group of Peterborough, the loss-making building and joinery group five times its size. The terms of the offer are five J and C shares for every six Elliott. The latter strongly advises its shareholders to take no action and expects to make an announcement next week.

Permodalan National, The Malaysian Government institution which last month gained control of Guthrie Corporation, is bidding against Preussag, the West German company, for the minority shares of Amalgamated Metal Corporation. Permodalan is offering 550p cash for the 20.5 per cent of AMC not already owned by Preussag, against the latter's offer of 440p in shares or 400p cash per share.

Five UK financial groups, including Guinness Peat, together acquired 89.6 per cent of Telerate, a New York-based computer data company which provides international coverage of U.S. foreign exchange and money markets, for £40.7m.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Allen Harvey & Ross	266	265	247	7.04	Cater Ryder
Arbuthnot Lthm.	320*	305	305††	59.65	Dow Scandia Banking Corpn.
Berec	105†§	115	94	59.65	Hanson Trust
Blantyre Tea	69*	90	69	0.80	Eastern Produce
Braham Millar	24*	25	23	3.02	Fieldwood
Brown Bros.	30*	27½	25	4.26	Dana Corp.
Caird (Dundee)	15*	16	13††	0.42	New Venture Carpets
Durapipe¶¶	40*	39	25	3.95	Glynwed
Elliott P'b'ro	54	43	42	7.12	Jenks & Cattell
Gaunt (Rowland)	25*‡‡	35	22	0.05	Queensway Secs.
Guthrie	901*§	875	662	140.00	Permodalan Nsnl.
Hallite Hldgs.	209*	215	195	4.80	Gen. Tire & R. SA
Hiltons Footwear	145*	144††	142	8.90	Ward White
Hoveringham Group Ord.	226*	217	89††	24.28	Tarmac
Hoveringham Group R.V.	196*	185	77††	15.80	Tarmac
Howden (Alex.)	173½	144	142	157.80	Alexander and Alexander Srvs.
Letraset	145*	139	140	61.83	Esselte AB.
Linfood Hldgs.	175§	169	152	15.85	Argyll Foods
MDW Hldgs.	124§§	118	82††	8.37	FJC Lilley
Provident Life	340*§	330	222	16.18	Winterthur Swiss
RCF	24*§	24	18	1.94	Bardsey
Scot. Ceylon Tea	22*	34	28	0.20	David Home Secs.
Serck	60*	57	36	25.52	BTR
Warren Plants.	240½*§	236	190	21.60	McLeod Russel

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on October 23 1981. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Amber Day	May	290L	(643)	—	(3.3)	0.9	(2.86)
BPM Holdings	June	2,570	(5,740)	58.7	(113.2)	5.78	(5.25)
Bryant Holdings	May	8,640	(7,910)	14.3	(10.8)	3.35	(2.5)
Ductile Steels	June	2,170L	(3,490)	—	(17.2)	4.5	(7.0)
Eleco Holdings	June	1,670	(1,630)	8.8	(10.4)	3.4	(3.3)
Erskine Hse. Invs.	Mar	442L	(46)	—	(2.2)	—	(2.18)
Finance Ind. Tst.	July	121	(115)	4.1	(2.6)	1.65	(1.5)
Gill & Duffus	Dec	20,000¶	(23,060)	—	(—)	8.4¶	(8.4)
R. Goodwin	Apr	286	(255)	2.0	(1.8)	0.54	(0.54)
Kalamazoo	July	1,830	(2,930)	1.9	(5.5)	2.5	(3.75)
Wm. Low	Sept	1,320	(2,240)	23.1	(25.6)	7.5	(7.5)
Lowland Invest.	Sept	695	(632)	4.7	(4.4)	4.35	(3.75)
McKechnie Bros.	July	9,280	(15,450)	13.0§	(21.2)	7.28	(7.28)
Medminster	June	354	(327)	10.9	(10.4)	3.7	(2.7)
News Intl.	June	26,120	(13,210)†	33.2	(16.5)†	6.3	(2.44)†
North Sea Assets	Sept	790	(450)	3.4	(2.5)	2.5	(2.0)
Paterson Zochonis	May	29,510	(21,780)	30.6	(20.2)	4.33	(3.5)
Peachey Prop.	June	4,700	(3,870)	9.1	(8.9)	4.5	(4.0)
Pressac Holdings	July	107	(289)	0.2	(1.4)	1.1	(1.26)
Prestwich Parker	June	470L	(36)	—	(0.6)	—	(0.5)
Ramar Textiles	May	115	(116)	0.56§	(0.59)	0.31	(0.26)a
Saga Holidays	June	3,090	(2,440)	51.6	(39.4)	11.2	(9.0)
Spencer Gears	June	307	(429)	1.5	(3.5)	0.75	(1.0)
W. Tyzack	Aug	93	(66)	4.8	(4.9)	1.0	(2.5)b
U. U. Textiles	July	75L	(151)L	—	(—)	—	(—)
Walker & Homer	July	29	(820)L	0.5	(—)	—	(—)
Wellco Holdings	June	4	(600)	2.1	(3.4)	1.0	(1.0)

Rights Issues

Brown and Jackson—One for two at 20p to raise £1.33m.

D. M. Lancaster—The tour operating group is raising £463,000 in a two for seven issue at 14p per share.

Offers for sale, placings and introductions

Johnstone's Paints—The Manchester paint and varnish group is coming to the USM by way of a placing of 1.575m shares, 15 per cent of those issued, at 63p per share.

Mid Wynd International Investment Trust—Introduced to the Stock Exchange.

Ruberoid—Is raising £1.3m through a placing of 1.4m ordinary shares with the National Coal Board Pension Fund at 95p.

Sheldon Jones—The West Country animal feeds supplier is coming to the USM by way of a placing of 660,795 shares, 12.5 per cent of those issued, at 67p per share.

Cable and Wireless—The Government is selling 133.3m shares, almost half of those issued, in this international telecommunications company by way of an offer for sale at 168p per share.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Arcolectric Hldgs.	June	16L	(144)	—	(0.23)
Atlas Electric	Sept	3,370	(3,360)	1.0	(1.0)
Bestwood	June	150	(39)	—	(—)
BHS	Sept	7,630	(10,650)	1.75	(1.75)
British Syphon	June	291L	(802)	—	(1.3)
A. F. Bulgin	July	178	(611)	0.58	(0.58)
City of Oxf. Invst.	Sept	173	(173)	1.75	(1.75)
Cont. Union Tst.	Aug	571	(553)	2.0	(2.0)
Ests. Duties Invst.	Sept	1,579	(1,548)	0.8	(0.77)
Executex Clothes	June	405L	(96)	—	(0.73)
Forward Techlgy.	June	370L	(1,130)	2.3	(2.3)
Francis Inds.	June	853	(822)	2.0	(1.75)
Francis Parker	June	275	(349)	0.35	(—)
Gen. Scottish Tst.	Sept	468	(510)	1.0	(1.0)
Glanfld. Lawrence	Mar	116L	(132)L	—	(—)
Hallam Group	June	291L	(99)L	—	(—)
Norman Hay	June	124	(177)	1.25	(1.25)
Hawker Siddeley	June	61,600	(57,200)	3.7	(3.0)
Jeavons Engrg.	June	306	(493)	1.13c	(—)
Walter Lawrence	June	660	(609)	2.5	(2.5)
London Brick	June	5,160	(7,420)	1.73	(1.73)
F. J. C. Lilley	July	3,550	(2,760)	1.98	(1.8)
Marks & Spencer	Sept	56,000	(68,900)	1.7	(1.5)
Minty	Aug	3	(117)	2.5	(7.0)
Mothercare	Sept	6,600	(8,050)	1.62	(1.62)
Municipal Props.	June	140	(149)	—	(—)
Nw. Thrgmtn. Tst.	Sept	654	(585)	1.0	(1.0)
Newey Group	June	181	(65)L	—	(—)
J. T. Parrish	Aug	47L	(4)L	—	(—)
Photax	June	251	(248)	1.5	(1.5)
Reardon Smith	Sept	641	(623)	—	(—)
Rock Darham	June	206L	(172)	—	(—)
RTD Group	Aug	134‡	(95)L	—	(—)
Scott. Nthn. Invst.	Sept	1,590	(1,410)	1.2	(1.2)
Selincourt	July	202	(452)	0.44	(0.44)
Sphere Invst.	Sept	1,538	(1,526)	2.85	(2.85)
Telephone Rntls.	June	6,730	(6,280)	4.0	(2.0)
Twinlock	Aug	103	(339)L	—	(—)
Uniflex Hldgs.	June	161L	(567)L	—	(—)
Utd. Engng. Inds.	July	1,410	(1,550)	1.55	(1.29)
W. Williams	June	515L	(181)L	—	(—)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † For six months. ‡ Irish pounds. ¶ Forecast figures. ‖ To reduce disparity with final. § Fully diluted. a For 57 weeks. b Includes a special payment of 1.5p. c Second interim. L Loss.

Scrip Issue

Saga Holidays—Two for one.

BASE LENDING RATES

A.B.N. Bank	15½%	■ Guinness Mahon	15½%
Allied Irish Bank	15½%	■ Hambros Bank	15½%
American Express Bk.	15½%	Heritable & Gen. Trust	15½%
Amro Bank	15½%	■ Hill Samuel	§15½%
Henry Ansbacher	15½%	C. Hoare & Co.	†15½%
■ Arbuthnot Latham	15½%	Hongkong & Shanghai	15½%
Associates Cap. Corp.	16 %	Knowsley & Co. Ltd.	16½%
Banco de Bilbao	15½%	Langris Trust Ltd.	16 %
BCCI	16 %	Lloyds Bank	15½%
Bank of Cyprus	15½%	Mallinhall Limited	15½%
Bank of N.S.W.	16 %	Edward Manson & Co.	17 %
Banque Belge Ltd.	16 %	Midland Bank	15½%
Banque du Rhone et de la Tamise S.A.	16 %	■ Samuel Montagu	15½%
Barclays Bank	15½%	■ Morgan Grenfell	16 %
Beneficial Trust Ltd.	16½%	National Westminster	15½%
Bremar Holdings Ltd.	16½%	Norwich General Trust	15½%
Bristol & West Invest.	17 %	P. S. Refson & Co.	15½%
Brit. Bank of Mid. East	15½%	Slavenburg's Bank	15½%
■ Brown Shipley	16 %	E. S. Schwab	16 %
Canada Perm't Trust	16 %	Standard Chartered	‖15½%
Cayzer Ltd.	16 %	Trade Dev. Bank	15½%
Cedar Holdings	16 %	Trustee Savings Bank	15 %
■ Charterhouse Japhet	16 %	TCB Ltd.	15½%
Choulartons	16 %	United Bank of Kuwait	15½%
Citibank Savings	¶15 %	Whiteaway Laidlaw	16 %
Clydesdale Bank	15½%	Williams & Glyn's	15½%
C. E. Coates	16 %	Wintrust Secs. Ltd.	15½%
Consolidated Credits	16 %	Yorkshire Bank	15½%
Co-operative Bank	*15½%		
Corinthian Secs.	15½%		
The Cyprus Popular Bk.	15½%		
Duncan Lawrie	15½%		
Eagil Trust	15½%		
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	17 %		
First Nat. Secs. Ltd.	17 %		
Robert Fraser	16 %		
Antony Gibbs	15½%		
Grindlays Bank	‡15½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%. 1-month 14.25%. Short term £8,000/12 months 16.60%.
† 7-day deposits on sums of £10,000 and under 13½%, up to £50,000 14% and over £50,000 14½%.
‡ Call deposits £1,000 and over 13½%.
§ Demand deposits 14%.
‖ 21-day deposits over £1,000 15%.
¶ Mortgage base rate.

LONDON TRADED OPTIONS

Oct. 23. Total Contracts 1,209. Calls 716. Puts 493.

Option	Ex'rcise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		November		February		May		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

APPOINTMENTS

Personnel director for British Aerospace

Mr C. J. Wells, formerly industrial relations manager, power train division, Ford of Europe has been appointed personnel director of BRITISH AEROSPACE from November 16. He succeeds Mr L. W. Buck who is retiring on November 30.

★

Following the resignation of Mr S. V. Weber as chairman and director of AERO NEEDLES GROUP, Mr. G. F. Cole has been invited to join the board and has been appointed chairman.

★

Mr Peter Bennett, who is to retire as chairman of W. H. Smith in June 1982, has been appointed chairman of SLS ENVIRONETICS, European subsidiary of Environetics International Inc, space planners and design consultants. He has also been appointed a director of Environetics International Inc; of Don Watt and Associates, a Canadian retail marketing and design company; and of Venture Horizons Inc, a venture capital company based in the U.S. and Canada.

★

GAFFNEY CLINE AND ASSOCIATES, international petroleum and natural gas advisers, has appointed Mr Tom Cox as managing director of GCA Limited. Mr Cox has been with GCA since 1973 and has been a director since 1975. He takes over from Mr John McGhee who has been seconded to a senior position with one of GCA's Far East clients.

★

Mr Dennis Shaw has been appointed chairman and Mr Mark Shaw has been appointed managing director of A. SHAW AND SON (DIAMONDS).

★

Mr Nicholas Aylwin has been appointed to the board of HILL SAMUEL AND CO with special responsibility for the acquisitions section within the corporate finance department.

★

Mr Clive Moffatt, formerly corporate affairs consultant to Guiness Peat Group, the City-based international banking and trading company, has been appointed chief executive of BLACKROD. Mrs Jill Roach, formerly a senior producer with BBC Television, has been appointed head of productions at Blackrod from January 1.

★

The Employment Secretary has appointed Mr John Royston Moore as chairman of the WOOL, JUTE AND FLAX INDUSTRY TRAINING BOARD. He succeeds the late Mr N. J. A. Crosse.

★

Mr Derek V. Damerell, chief executive of British United Provident Association has been elected president of the INTERNATIONAL FEDERATION OF VOLUNTARY HEALTH SERVICE FUNDS.

★

Mr Alan Thornton-West has been appointed associate director of BIS APPLIED SYSTEMS.

★

Mr Malcolm Allinson Anson is joining the board of the BRISTOL WATERWORKS COMPANY, to fill the vacancy created by the recent retirement of Mr A. N. Irens. Mr Anson was chairman of the Imperial Group until July 1981.

★

Mr Michael Wilson has been appointed director and general manager with responsibilities for engineering and manufacture at RENISHAW ELECTRICAL. He was previously a chief engineer at Rolls-Royce, Bristol.

★

BECKMAN INSTRUMENTS (HOLDING), and BECKMAN INSTRUMENTS LTD have made the following appointments: Additions to the board of Beckman Instruments (Holding) are Mr E. P. O'Cuilleanain as acting chairman and Mr T. Valentine and Mr R. J. Steinmeyer (U.S.) as directors. Mr E. Provost has been appointed company secretary.

Appointments to the board of Beckman Instruments Ltd are Mr O'Cuilleanain as managing director and Mr Valentine and Mr G. E. Walters (U.S.) as directors. Mr Provost has been appointed company secretary.

★

ELLERMAN LINES states that Mr W. W. MacDougall, chief executive of its subsidiary, Ellerman Travel and Leisure, has resigned and will retire at the end of 1981. He is succeeded by Mr I. D. Christians. Mr Christians is at present managing director of the Ellerman insurance subsidiary, London and Hull Maritime Insurance Co., and its associated companies, and he will continue in those posts.

★

Mr Brian Foster has been appointed an executive director as the chief quantity surveyor and Mr J. Nigel Fuller-Shapcott and Mr Edward W. Hunt have been appointed non-executive directors of GEORGE DEW. Mr Foster has also been appointed to the board of G. DREW AND CO. Mr Michael J. Carrol has been appointed to the board of GEORGE DEW-EBRAHIM AKBAR ALIREZA Saudi associate company of Dew as a local director.

★

Mr T. Martin Jnr, Mr S. Martin, Mr E. W. Burnham, Mr V. Gibbons and Mr J. S. Martin have joined the board and Mr David Lake, formerly managing director of Hollman Nicholls and Co is managing director of ARCO HOLLMAN NICHOLLS.

THE TRING HALL USM INDEX

108.4 (−1.6)

close of business 23/10/81

BASE RATE 10/11/80 100

Tel: 01-638 1591

CORAL INDEX

Close 458-463 (−4)

SPAIN

October 23	Price %	+ or −
Banco Bilbao	341	−4
Banco Central	328	−6
Banco Exterior	305	
Banco Hispano	309	−3
Banco Ind. Cat.	117	
Banco Santander	394	
Banco Urquijo	223	−3
Banco Vizcaya	352	−5
Banco Zaragoza	228	−2
Dragados	157	−3
Espanola Zinc	72	
Fecsa	69.5	+0.8
Gal. Preciados	45	−2
Hidrola	76.2	
Iberduero	58	−0.2
Petroleos	101	−2
Petroliber	87	
Sogefisa	51	
Telefonica	73	
Union Elect.	74	−0.5

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1980-81 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
114	100	ABI Hldgs. 10pc CULS	109	−1	10.0	9.2	—	—
76	39	Airsprung	66xd	−1	4.7	7.1	10.5	14.5
52	21	Armitage and Rhodes	43	—	4.3	10.0	3.6	8.1
200	92½	Bardon Hill	192	−1	9.7	5.1	9.3	11.4
104	88	Deborah Services	97	—	5.5	5.7	4.8	9.1
125	88	Frank Horsell	115	−1	6.4	5.6	10.4	25.0
110	39	Frederick Parker	59	−1	1.7	2.9	25.1	—
110	49	George Blair	49	−1	—	—	—	—
102	93	IPC	96	—	7.3	7.6	6.9	10.4
113	59	Jackson Group	97	—	7.0	7.2	3.1	6.9
130	103	James Burrough	110	+1	8.7	7.9	8.0	10.1
334	244	Robert Jenkins	283	−2	31.3	11.1	3.9	10.0
59	50	Scruttons "A"	53	−1	5.3	10.0	8.2	7.8
224	187	Torday	187	—	15.1	8.1	7.2	12.4
23	8	Twinlock Ord.	14	—	—	—	—	—
90	68	Twinlock 15pc ULS	79	+1	15.0	19.0	—	—
58	33	Unilock Holdings	33	—	3.0	9.1	5.9	10.0
103	81	Walter Alexander	83	−1	8.4	7.7	5.5	9.7
263	181	W. S. Yeates	224	−1	13.1	5.8	4.2	8.6

WORLD STOCK MARKETS

Dow off 9 on huge GM loss

STOCKS FELL across a broad front on Wall Street yesterday, following a huge third quarter loss by General Motors and bad news on U.S. inflation.

By 1 pm the Dow Jones Industrial Average was down 9.13 at 839.14, making a loss of 12.55 on the week, while the NYSE All Common Index, at $68.95, shed 44 cents on the day and 18 cents on the week. More than twice as many issues declined as advanced in a turnover of 32.72m shares against 29.49m at 1 pm Thursday.

Several Blue Chips also were depressed by disappointing Corporate earnings statements. Analysts said the worse than expected quarterly results added to investors woes about the state of the economy. U.S. Consumer prices rose 1.2 per cent in September, equalling its biggest monthly rise for 1981.

General Motors fell $¾ to $39⅜ on around 250,000 shares. The number one ranked car maker lost $468m in the third quarter, a figure that was more than expected by analysts.

expected to lose money in the third quarter, were fractionally lower at $17⅞ and $4¼, respectively.

American Brands slipped $2⅜ to $37⅝ on a "big drop" in profits for the September quarter.

Other weak spots included Levi Strauss, down $2 to $30¼, Flow General $2¼ to $23⅞, Amax $1⅞ to $49¼ and White Consolidated $1 to $24 and Newmont Mining $2⅞ to $46⅞.

Consolidated Gold Fields, which plans to acquire a 26 per cent stake in Newmont, said it might purchase additional shares in the company due to the recent decline in the price of the stock.

Homestake Mining lost $⅝ to $47⅞ after reporting sharply lower quarterly earnigs. But Sperry gained $1⅛ to $32⅝ and Colt Industries jumped $4⅛ to $54¼.

THE AMERICAN SE Market Value Index was off 1.06 at 308.24, reducing its rise on the week to 1.05.

AZL Resources, among the most active issues, shed $1 to $27⅝ on over 56,000 shares. But Dome Petroleum gained $⅛ to $11⅞ in brisk trading.

Closing prices for North America were not available for this edition.

Canada

Stock prices continued to decline around noon yesterday, with the Toronto Composite Index off 3.8 at 1,870.2.

The Gold Shares Index gave way 43.4 to 3362.0 and Metals and Minerals 18.8 to 1754.7. But the Oil and Gas Index put on 8.5 to 3551.9.

Most active Dome Petroleum rose ⅜ to $14⅛ and affiliate firm Hudson's Bay Oil and Gas rose $2¼ to $42¼ — an oil analyst with Midland Doherty, said there is speculation Dome has good results from a well in the Beaufort Sea. A company spokesman said drilling results may be out next week.

Germany

Shares ended easier after opening mixed.

VW fell to another 1981 low of 122.80—the resignation of its Finance Director and the questions surrounding the chairman's health had already pushed the shares down earlier this week, but it fell further once VW confirmed the rumours.

AEG lost DM 1 to 47, as investors awaited news of the meeting with the Banking Consortium about new projects and funding. The meeting also pushed Bank shares lower, with Consortium leader Dresdner off DM 3 at 126 and Deutsche Bank DM 2.10 at 265.80.

Siemens shed DM 3.80 to 222, while SEL fell DM 9 to 257.

Domestic and Foreign Bond issues were mixed. Public Authority Loan Stock traded in the range of plus DM 0.40 to minus DM 0.40. The Bundesbank sold DM 172m of stock.

The West German Railways Bond issue has been fairly well received, with good demand at DM 0.50 below its DM 100.25 issue price. One dealer said this was especially surprising in view of renewed discussion of the financing problems of the Federal Government.

Paris

Share prices tended mixed in quiet trading, with the fall in French interest rates providing no apparent support to stocks.

Peugeot moved up FFr 7 to 145.5, despite its forecast of a 1981 consolidated net loss close to 1980's FFr 1.5bn. Dealers noted Peugeot said its recovery efforts have begun to take effect, and the car making subsidiaries are both on the road to operating profit in 1981.

Stocks in companies due to be Nationalised declined, after recently in consistent demand. CGE were FFr 2.2 down at 302, CCF FFr 2 at 148 and Pechiney FFr 1.2 at 90.

Financiere Paribas slipped FFr 1.3 to 199.7—its Swiss unit Paribas Suisse, now majority held by Pargesa Holding of Geneva.

Switzerland

Share prices closed quietly steady in a technical reaction to Thursday's losses. After some further declines in early trading, selected buying reversed the trend. Trading was very thin and virtually dominated by professionals.

Foreign and Domestic Bonds continued to follow the firmer trend of previous sessions. The result of the new Federal Bond tender was received favourably.

Among Banks, Swiss Bank advanced SwFr 5 to SwFr 305 on a satisfactory earnings outlook for this year in its quarterly report.

Industrials recovered from Thursday's declines.

Dollar stocks closed narrowly below overnight New York closing prices in slow trading.

Hong Kong

Slightly lower after moving within a narrow range. Trading was quiet and featureless. Brokers were cautious in taking new positions in the absence of fresh incentive.

Leaders held generally steady, while "secondary" issues were mixed. Carrian Investment lost 25 cents to HK$5.90 but Hang Lung rose 20 cents to HK$13.20.

Tokyo

The market rose on selective buying in "bargain-priced" issues, "incentive-backed" issues and stocks with low levels of Margin Buying. Trading volume 360m (250m) shares.

Many investors continued nervous as a result of recent volatility and the high level of Margin Buying.

Light Electricals were higher, led by Matsushita Electric and Victor Japan on bright business forecasts. Steels, Heavy Electric Machines, Drugs and Synthetic Fibres were also higher.

"Big Capitals" such as Heavy Electric Machines, Steels and Shipbuilders, were also higher on scattered Foreign purchases.

Precisions and some "high-priced" Electrical closed mixed after initial firmness, with investors alarmed by their rapid recovery in prices. Motors were also mixed.

Australia

Industrials, apart from a few "heavyweights," edged higher, but Mines and Explorers were easier.

Huttons was suspended shortly before the close of trading following an announcement earlier that the Corporate Affairs Commission in New South Wales had begun legal proceedings against Industrial Equity Ltd over IEL's refusal to make a full bid for Huttons. Before the suspension sales were posted at a steady 50 cents. IEL's remain under suspension.

Transport group TNT moved up 7 cents to A$2.52 on news Robert Holmes Acourt, Perth businessman, had picked up a 9.5 per cent stake.

BHP shed 15 cents to A$10.10 after reporting that industrial problems had cut steel production in September and reduced the group's share of oil from Bass Strait.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

SWEDEN

GERMANY

JAPAN

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Indices

NEW YORK —DOW JONES

	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 16	Oct. 15	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
●Industr'ls	848.27	851.65	851.86	847.15	851.69	856.26	1024.05 (27/4)	824.01 (25/9)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	56.54	56.02	56.48	56.56	55.75	56.90	65.78 (15/1)	54.99 (1/10)	—	—
Transport.	353.59	370.09	370.85	364.77	365.71	365.77	447.38 (16/4)	355.43 (25/9)	447.38 (16/4/81)	12.23 (8/7/32)
Utilities	105.54	103.49	103.71	102.83	105.08	105.43	117.81 (6/1)	101.28 (28/9)	163.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000's†	40,650	46,490	51,550	41,590	37,800	50,030	—	—	—	—

●Day's high 854.07 low 840.55

Ind. div. yield %	Oct. 9	Oct. 2	Sept. 25	Year ago (approx)
	6.30	6.34	6.68	5.66

STANDARD AND POORS

	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 16	Oct. 15	1981 High	1981 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls ...	135.76	134.25	134.48	132.98	135.24	136.89	157.02 (6/1)	128.43 (24/9)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	119.64	120.10	120.28	118.96	119.19	119.71	166.72 (6/1)	116.01 (24/9)	140.52 (28/11/80)	4.40 (1/6/32)

	Oct. 21	Oct. 14	Oct. 7	Year ago (approx
Ind. div. yield %	5.37	5.33	5.27	4.44
Ind. P/E Ratio	8.30	8.11	8.29	9.15
Long Gov. Bond yield	14.63	14.08	14.10	11.60

NY. S.E. ALL COMMON

Oct. 22	Oct. 21	Oct. 20	Oct. 19	1981 High	1981 Low
69.39	69.66	69.75	69.02	79.14 (6/1)	64.96 (25/9)

Rises and Falls	Oct. 22	Oct. 21	Oct. 20
Issues Traded...	1,857	1,868	1,891
Rises	496	689	980
Falls	947	800	535
Unchanged	414	379	376
New Highs	9	30	29
New Lows	59	34	47

MONTREAL

	Oct. 22	Oct. 21	Oct. 20	Oct. 19	1981 High	1981 Low
Industrials	320.45	320.14	322.47	324.50	409.66 (27/5)	310.21 (25/9)
Combined	237.40	305.59	304.92	307.07	475.25 (15/8)	295.97 (25/9)
TORONTO Composite	1874.0	1875.0	1,305.6	1900.4	2576.6 (10/4)	1612.48 (25/9)

	Oct. 23	Oct. 22	Oct. 21	Oct. 20	1981 High	1981 Low
AUSTRALIA						
All Ord. (1/1/80)	565.5	570.3	566.7	565.3	737.3 (6/4)	563.5 (28/9)
Metal & Minrls (1/1/80)	432.3	445.9	441.7	445.8	755.2 (7/1)	438.3 (23/10)
AUSTRIA						
Credit Aktien (2/1/62)	54.59	54.73	54.69	54.61	68.43 (6/1)	53.54 (15/10)
BELGIUM						
Belgian SE (31/12/63)	71.78	71.70	71.82	71.48	86.16 (17/2)	68.53 (16/6)
DENMARK						
Copenhagen SE (1/1/73)	116.21	115.68	115.25	114.56	119.00 (25/3)	88.88 (2/1)
FRANCE						
CAC General (29/12/61)	90.1	90.7	91.30	91.50	112.5 (17/3)	77.3 (15/5)
Ind Tendance (31/12/80)	96.60	97.3	98.20	98.50	105.3 (10/9)	78.2 (12/6)
GERMANY						
FAZ-Aktien (31 12/58)	221.58	225.15	222.61	223.51	243.47 (3/7)	215.88 (9/2)
Commerzbank(Dec1953)	678.80	682.5	681.5	682.70	748.0 (3/7)	666.4 (16/2)
HOLLAND						
ANP-CBS General (1970	82.60	82.6	83.30	82.60	96.8 (20.8)	73.5 (28/8)
ANP-CBS Indust (1970)	64.00	64.4	64.90	64.60	76.4 (22/6)	62.0 (28/8)
HONG KONG						
Hang Seng Bank (31/7/64)	1227.24	1236.12	1252.81	1227.72	1810.20 (17/7)	1113.77 (5/10)
ITALY						
Banca Comm Ital (1972)	184.77	180.99	174.9	172.22	282.05 (3/6)	156.44 (24/7)
JAPAN**						
Dow Average (16/5/49)	7262.19	7216.29	7256.89	7103.92	8019.14 (17/8)	6956.52 (15/3)
Tokyo New SE (4/1/68)	538.40	534.09	536.99	528.95	603.92 (17/8)	496.79 (6/1)
NORWAY						
Oslo SE (1/1/72)	135.20	133.55	130.41	127.45	145.72 (6/8)	110.54 (3/8)
SINGAPORE						
Straits Times (1966)	655.52	638.76	646.23	643.54	875.28 (26/6)	516.26 (1/9)
SOUTH AFRICA						
Gold (1958)	—	(u)	707.8	788.2	797.6 (7/1)	473.5 (6/7)
Industrial (1958)	—	(u)	709.4	709.1	709.4 (21/10)	637.2 (5/2)
SPAIN						
Madrid SE (30/12/80)	129.60	130.06	130.0	129.80	146.15 (6/9)	100.49 (2/1)
SWEDEN						
Jacobson & P. (1/1/58)	566.11	560.04	569.27	564.74	660.51 (10/6)	404.17 (20/1)
SWITZERLAND						
SwissBankCpn. (31/12/58)	248.20	246.9	250.90	(u)	304.2 (2/4)	248.2 (23/10)
WORLD						
Capital Intl. (1/1/70)	—	157.9	158.7	158.8	162.8 (6/1)	153.8 (28/9)

(**) Sat Oct 17 (c)

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Newm. Min.	1,000,000	43	−4⅝	Sunbeam	604,700	33¼	—
Penn. Cent.	727,300	41½	−4½	Ral Purina	431,900	10⅞	−⅛
Exxon	653,600	30½	—	Sony	363,600	16½	−⅛
Santa Fe Intnl.	646,300	44⅝	+⅝	Grumman	363,200	32¾	+2⅞
Schlitz	607,100	10⅝	−1⅞	Std. Oil Calif.	347,200	42⅝	—

STRONG BASE FOR FUTURE GROWTH

Nedbank lifts profits against trend

BY JIM JONES IN JOHANNESBURG

NEDBANK, South Africa's third largest banking group, increased disclosed pre-tax profit by 10.4 per cent to R110.6m (U.S.$114.6m) in the year to September 30, from R100.2m in the previous year. Taxed profit rose to R76.9m from R69.3m.

The increase comes at a time when some of the country's other major banks have suffered lower profits because of tightening margins.

The bank is also increasing its total dividend from 38 cents to 43 cents a share from earnings up from 76.4 cents to 86.4 cents a share.

Unlike other major competitors, who are having to raise extra capital through rights issues, Nedbank has a capital surplus of R130m. The group has consistently had a liabilities/capital ratio well below the statutory level. The ratio at end-September has not been revealed in the preliminary results but, unofficially, bank executives concede that the ratio was less than 12:1. At the present stage of the South African banking cycle, the ability to generate turnover is of major importance in maintaining profits and Nedbank is in a position to accept extra deposits of almost R2.2bn without having to increase its capital base.

Out of keeping with past practice, the group transferred R25m from hidden reserves to disclosed reserves. A further R21.9m was added to disclosed reserves and represented the capital profit from the sale of some Johannesburg real estate and from the disposal of the Zimbabwean banking arm, Rhobank.

Management says competition between banks remained intense in the year just ended and, with periodic scarcity of liquidity in the market interest margins were further eroded. Though difficult conditions still prevail, the directors are confident that with its substantial capital surplus Nedbank is in a strong position for further development.

Loss mounts at Svenskt Staal

By Westerley Christner in Stockholm

THE FINANCIALLY troubled Swedish steel company Svenskt Staal (SSAB) registered a loss before appropriations and tax of SKr 609.6m ($110.3m) during the first eight months of this year, a SKr 312.6m deterioration on the deficit recorded during the corresponding 1980 period. Group invoiced sales fell to SKr 4.2bn ($760.8m) from SKr 4.88bn in the corresponding eight-month period.

For 1981 as a whole, the company has revised its earlier forecast of a pre-tax loss of about SKr 600m, to one of SKr 900m. Last year, the loss amounted to SKr 584m on a 78 per cent growth in sales to SKr 7.3bn.

The worsening of SSAB's result in the eight-month period was blamed on several factors: reduced volume demand, a decrease in prices for group products. The level of the Swedish krona before the recent 10 per cent devaluation by comparison with the U.S. dollar and German D-mark, and extra costs associated with the company's extensive restructuring programme.

Slavenburg's to increase capital

BY CHARLES BATCHELOR IN AMSTERDAM

CREDIT LYONNAIS is expected to increase its 50 per cent holding in Slavenburg's to a majority when the Dutch bank goes ahead with a proposed increase in issued share capital.

The Dutch central bank said it had no objection to this move despite the fact that this is the first time a major Dutch bank has been acquired by foreign shareholders.

Slavenburg's plans a sizeable issue of ordinary shares before the end of the year, the directors told an extraordinary shareholders meeting, but declined to reveal how much. The Bank has announced its intention of doubling its authorised capital to Fl 400m ($159m). Of present authorised capital, Fl 128m has been issued.

Credit Lyonnais will guarantee the new share issue and is expected to take up a large number of the shares since the current market price of Fl 84 is less than the nominal Fl 100 value of the shares, below which the bank may not price the issue.

A proposed change in the bank's statutes, which includes the increase in authorised capital, could not be put to the shareholders meeting since a quorum was lacking. A new meeting has been set for November 9.

Slavenburg's expects to pay no dividend this year and may also make no payment in 1982. Last year it slashed its dividend to Fl 5 per share from Fl 21.50 after net profit fell 64 per cent to Fl 13.2m.

It expects to make considerable further additions to its provision for general risks in the second-half of 1981 largely because of the depressed state of the Dutch property market. In the first-half, it doubled its addition to provisions to Fl 30m.

The Bank made net profit of Fl 7.6m in the first 1981 half compared with Fl 15.5m in the same period last year. The balance sheet total rose five per cent to Fl 12.1bn ($4.8bn) in the six months to June.

Good quarter for Lufthansa

By Jonathan Carr in Bonn

THE WEST GERMAN airline, Lufthansa, has become more confident of achieving a profit for 1981 as a whole, after a good third quarter result.

Lufthansa said yesterday the company had made a profit of DM 132m in the July-September period, thus reducing the overall loss for the first nine months to DM 112m.

If the improvement continued for the final quarter, Lufthansa "might produce a result slightly better than that of 1980."

Explaining the better third quarter figure, Lufthansa said it had moved relatively swiftly to adjust capacity to changed air traffic needs.

Italian telephone group expects sharp recovery

BY JAMES BUXTON IN ROME

ITALY'S state telephone utility, SIP (Societa Italiana per l'Esercizio Telefonico) expects to record a dramatic turnround in its finances this year, registering a profit of about L250bn ($207m) against a loss of L538bn in 1980.

The news is important not just for the SIP itself, which is owned by the IRI-STET holding company, but for the Italian telecommunications industry which depends heavily on orders from the SIP and has been seriously affected by SIPs bad financial state.

SIP's expected profit is due to several factors, following a comprehensive if somewhat attenuated effort by the authorities to assist the telephone utility. It was permitted to raise its tariffs by an average of 12 per cent in June and has had the rent it has to pay to another government agency for leasing trunk telephone lines sharply reduced.

A capital increase of L800bn is being financed by STET which will reduce the burden of financial charges on SIP.

SIP is still seeking a further L350bn in new capital, however and had long term debts of L6,500bn at the end of last year. Its current annual investment programme is worth L2,100bn, compared with L1,951bn last year.

ACI plans share issue to raise A$50m

By Our Financial Staff

PLANS FOR a A$50m (US$56.8m) capital raising exercise were yesterday unveiled by Australian Consolidated Industries, the glass, energy, plastics and packaging group.

The company, which earlier this week reported sharply higher first half profits, is to make a one-for-five rights issue in deferred dividend shares at A$1 each.

The new shares will have option rights attached, and the cash raised by their issue will go towards financing ACI's energy operations notably coal.

Each new share will have the right to an equivalent number of options at one cent each, convertible into further equity shares at A$1.80 a share.

For the six months ended September, group net profits more than doubled from A$17.9m to A$36m. The result encouraged ACI to suggest that earnings for 1981-82 overall could well top A$75m, against A$45.1m a year ago.

The interim figures incorporated a six-month contribution from the Acmil group, the recently acquired building and industrial supplier company, plus strong performances from ACI's established divisions.

New Bond bid wins Swan

By Graeme Johnson

MR ALAN BOND, the Perth-based entrepreneur, last night succeeded in winning control of Swan Brewery, Western Australia's monopoly brewer, for A$162m (U.S.$184m).

His victory was achieved in the face of initial hostility from the Swan directors and an alternative but unkown bidder.

Mr Bond will now pay A$2.70 a share for the 80.1 per cent interest in the brewer not already owned by his company, Bond Corporation, compared with the A$2.40 a share he offered just 12 weeks ago.

The agreement yesterday between Mr Bond and the board of Swan, of which he is a member, ended two weeks of bitter wrangling over the terms of the bid.

Tenneco optimistic despite reverse in third quarter

BY OUR FINANCIAL STAFF

NET EARNINGS of Tenneco, the diversified group which derives over 75 per cent of its profits from integrated oil and natural gas pipeline operations, fell back in the third quarter. But nine-month returns are still above those of last year and the directors predict that fourth-quarter earnings will surpass those in 1980.

For the latest three months, net earnings were $156m or $1.09 a share, compared with $162m or $1.25 a share in the corresponding 1980 period. At the ninemonth stage, profits totalled $553m or $4.10 a share against $526m or $4.38 a share previously.

Sales of the group, which is also engaged in chemicals, construction and farm equipment, shipbuilding, agriculture, land management, automotive components, packaging and life insurance, totalled $11.17bn for the nine months, against $9.58bn for the same period in 1980, with the third quarter producing $3.58bn against $3.07bn.

In last year's fourth quarter the company earned $200m, or $1.56 a share, on revenues of $3.64bn.

The company said its prediction holds despite high interest rates, inflation and a general softness which continue to impede economy recovery.

● Shell Canada's earnings were sharply lower in third quarter and nine months mainly because of the impact of federal petroleum and gas revenue tax, slackening demand and margins in most oil products. These factors were only partly offset by inventory gains and a better chemicals performance, writes Robert Gibbens in Montreal.

Third quarter earnings were C$47m (US$39.2m) or 40 cents a share against C$86m or 80 cents a year earlier. The nine-month total was C$210m or C$1.92 a share against C$267m or C$2.51.

World Bank revises bond terms

BY ALAN FRIEDMAN

THE WORLD BANK yesterday went ahead with its restructured $500m Yankee bond in two tranches. The first tranche is for five years and was increased from $250m to $300m. It bears a 16¾ per cent coupon and is priced at 99.784 to yield 16.44 per cent.

The second tranche is for 10 years and has been reduced from $250m to $200m. It carries a 16⅞ per cent coupon and is priced at par.

In the Eurodollar market, traders grumbled about the World Bank's need to restructure its Yankee bond, adding that the Triple A borrower was launching too much paper too quickly.

Prices on the Eurodollar market came up ¼ point yesterday as a technical reaction to the week's generally declining trend. Several traders were simply covering short positions ahead of the weekend.

Four new issues were launched yesterday in the Eurobond markets. They were:

● A C$50m six-year issue for the Province of Quebec, bearing a 17¼ per cent coupon and priced at par. The offer is led by Societe Generale and the bonds are callable at the end of the fifth year at 101.

● A C$40m six-year bond for Canadian Pacific Securities with a 17¾ per cent coupon. The issue is likely to be priced at par and led by Orion Royal Bank.

● An SwFr 100m 12-year bond for Unilever NV through the Swiss Bank Corporation. The indicated coupon is 7½ per cent, and

● An SwFr30m private placement for the Oesterreichische Kontrollbank through the Wirtschaftsund Privatbank. The five-year carries an 8¼ per cent coupon and is priced at par.

Swiss excluded Costa Rica bond dealing

BY JOHN WICKS IN ZURICH

THE ZURICH stock exchange has confirmed that a SwFr 20m bond issue by the Banco Central de Costa Rica was excluded from pre-market dealings in May. The bonds, which are not listed on the bourse, were issued in September last year with a ten-year maturity and a variable interest rate of a minimum 7 per cent.

An application to engage in pre-market trading in the bonds, made by Gutzwiller, Kurz, Bungener SA, lead manager of the issue, was turned down in May by the Swiss Listing Admissions Commission. This body, responsible for permitting the quotation of foreign securities on Swiss bourses, is made up of representatives of the stock exchanges and the Finance Ministry.

Since the decision was considered an "internal matter," no statement was made at the time. The Commission, which is empowered to exclude securities from pre-market dealings without giving reasons, is assumed to have been concerned at the economic conditions in Costa Rica.

According to Gutzwiller, Kurz, Bungener, part of the interest due on the bonds on October 10 has been received and the remainder is "on its way."

● Peter Montagnon in London adds: Payment by Costa Rica of the balance of interest due on its $20m. floating rate notes arranged in 1978 is believed to be imminent, bankers said yesterday. The notes, which were issued through Banque Nationale de Paris, are still being quoted on the Luxembourg Stock Exchange.

COMMODITIES/REVIEW OF THE WEEK

Zinc supply worries boost London market

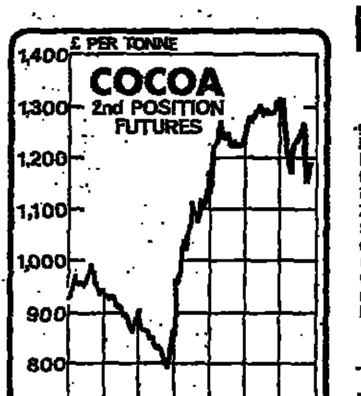
BY OUR COMMODITIES STAFF

ZINC LED a general rise in base metal markets this week as concern over nearby supplies deepened. Talks between management and unions on Wednesday aimed at ending the 18-week-old strike at Tara Mines of Ireland apparently made little progress and customers for Tara's zinc concentrates are becoming increasingly worried about supply prospects. This was the main factor encouraging a £36 rise to £503.50 a tonne in the London Metal Exchange cash zinc price this week.

News that St Joe Minerals Corporation of the U.S. had raised its galvanising grade zinc price by 1.25 cents a lb, bringing it back into line with other U.S. producers, and awareness of the approaching closure of the American Bunker Hill zinc operation next Thursday also influenced the rise, dealers said.

Figures published yesterday showed European zinc production fell to 140,000 tonnes in September, down from 149,100 tonnes in August and 148,800 tonnes in September last year. Stocks of primary zinc at smelters fell to 143,200 tonnes from 158,400.

The rise in zinc prices also prompted a sharp advance in the lead market with the cash metal price ending £29 higher at £394.50 a tonne. This was in spite of a 2 cents a lb price cut by St Joe for corroding grade lead.



A relatively modest £5 rise to £904.50 a tonne for cash copper wirebars also reflected the zinc market strength but was further encouraged by a force majeure declaration by Southern Peru Copper concerning shipments of cathodes from its Ilo mine, where a new strike started on Tuesday.

Tin prices were pushed down by news that LME warehouse stocks rose to a record level last week but prices recovered and cash metal ended only £25 lower at £8,190 a tonne. Dealers said there was no impact from the International Tin Council's weekend decision to raise buffer stock support levels by 6.85 per cent.

Rumours of Eastern Bloc buying and a forecast of a cut in Malaysian tin output to 59,000 tonnes in 1982 from an estimated 60,000 tonnes this year tended to lift prices. The upward pressure was countered to a large extent by persistent selling from a single source.

Growing disenchantment with the International Cocoa Agreement led to a sharp fall in the cocoa market. The March position on the London futures market closed at £1,194 a tonne yesterday, down £83.50 on the week. At a meeting in London on Tuesday the International Cocoa Organisation's executive committee agreed to give the buffer stock manager permission to discuss borrowing funds for further support buying.

Since it started on October 1 support buying has had no noticeable effect on the market partly because of general awareness that the available money was far from adequate. The decision to allow borrowing might have been expected to encourage a rise in the market but the reportedly acrimonious tone of the meeting tended to discourage any bullish reaction. Yesterday the ICCO described rumours that the buffer stock manager, who has come in for bitter criticism from some quarters, was to resign as "absolute rubbish."

The coffee market had a relatively quiet week with the January London futures position ending £18.50 up at £1,127.50 a tonne.

The International Coffee Organisation yesterday decided to bring forward 1m tonnes of export quotas into the current (October-December) quarter.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815		£810/815	£810/815	£760/70
Free Market c.i.f.	$1140/1170	+10	$1635/1665	$1500/1680	$1115/1145
Antimony	[illegible]		[illegible]	[illegible]	[illegible]
Free Market 99.6%	[illegible]		[illegible]	[illegible]	[illegible]
Copper Cash W'bars	£904.5	+5	[illegible]	[illegible]	[illegible]
3 months do. do.	£932.75	+7.25	[illegible]	[illegible]	[illegible]
Cash Cathodes	[illegible]		[illegible]	[illegible]	[illegible]
3 months do.	[illegible]		[illegible]	[illegible]	[illegible]
Gold per oz.	[illegible]		[illegible]	[illegible]	[illegible]
Lead Cash	[illegible]		[illegible]	[illegible]	[illegible]
3 months	[illegible]		[illegible]	[illegible]	[illegible]
Nickel	[illegible]		[illegible]	[illegible]	[illegible]
Free Market c.i.f. lb.	[illegible]		[illegible]	[illegible]	[illegible]
Platinum per oz.	[illegible]		[illegible]	[illegible]	[illegible]
Free Market	[illegible]		[illegible]	[illegible]	[illegible]
Quicksilver (76 lbs.)	[illegible]		[illegible]	[illegible]	[illegible]
Silver per oz.	[illegible]		[illegible]	[illegible]	[illegible]
3 months per oz.	[illegible]		[illegible]	[illegible]	[illegible]
Tin cash	£8190		[illegible]	[illegible]	[illegible]
3 months	[illegible]		[illegible]	[illegible]	[illegible]
Tungsten	[illegible]		[illegible]	[illegible]	[illegible]
Wolfram (22.04 lb.)	[illegible]		[illegible]	[illegible]	[illegible]
Zinc cash	£503.5		[illegible]	[illegible]	[illegible]
3 months	[illegible]		[illegible]	[illegible]	[illegible]
Producers	[illegible]		[illegible]	[illegible]	[illegible]
GRAINS					
Barley Future	[illegible]		[illegible]	[illegible]	[illegible]
Maize French	[illegible]		[illegible]	[illegible]	[illegible]
Wheat Future	[illegible]		[illegible]	[illegible]	[illegible]
Hard Winter Wheat	[illegible]		[illegible]	[illegible]	[illegible]
SPICES					
Cloves	[illegible]		[illegible]	[illegible]	[illegible]
Pepper, white	[illegible]		[illegible]	[illegible]	[illegible]
Black	[illegible]		[illegible]	[illegible]	[illegible]
OILS					
Coconut (Philippines)	[illegible]		[illegible]	[illegible]	[illegible]
Groundnut	[illegible]		[illegible]	[illegible]	[illegible]
Linseed, Crude	[illegible]		[illegible]	[illegible]	[illegible]
Palm Malayan	[illegible]		[illegible]	[illegible]	[illegible]
SEEDS					
Copra (Philippines)	[illegible]		[illegible]	[illegible]	[illegible]
Soyabeans (U.S.)	[illegible]		[illegible]	[illegible]	[illegible]
OTHER COMMODITIES					
Cocoa shipment	[illegible]		[illegible]	[illegible]	[illegible]
Cocoa Futures Mar.	[illegible]		[illegible]	[illegible]	[illegible]
Coffee Futures Jan.	[illegible]		[illegible]	[illegible]	[illegible]
Cotton Index	[illegible]		[illegible]	[illegible]	[illegible]
Dessicated Coconut	[illegible]		[illegible]	[illegible]	[illegible]
Gas Oil Fut. Nov.	[illegible]		[illegible]	[illegible]	[illegible]
Jute	[illegible]		[illegible]	[illegible]	[illegible]
Rubber kilo	[illegible]		[illegible]	[illegible]	[illegible]
Sisal	[illegible]		[illegible]	[illegible]	[illegible]
Sugar (Raw)	[illegible]		[illegible]	[illegible]	[illegible]
Tea	[illegible]		[illegible]	[illegible]	[illegible]
Wool tops 64s	[illegible]		[illegible]	[illegible]	[illegible]

† Unquoted. (x) Nov-Dec. (v) Dec. (t) Oct/Nov. (w) Jan. (u) Nov/Dec. * Nominal. § Ghana cocoa.

MARKET REPORTS

BASE METALS

LEAD and ZINC continued to attract good demand on the London Metal Exchange although both closed well below the day's highest levels. LEAD finished at £409, reflecting fresh buying and "computer buying," while ZINC was finally £516, after £517, following aggressive buying from one quarter. COPPER was finally £935, reflecting another poor opening on Comex, while TIN responded to renewed short covering and stop-loss buying and closed at £838.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	912.5-3	+4	904-6	-9.5
3 mths	941.5-2	+5	933.5-4	-10.5
Settlem't	913	+4	—	.....
Cathodes				
Cash	910-2	+7.5	901-2	-8.5
3 months	937-8	+4	927-8	+11
Settlem't	912	+8	—	.....
S. Prod	—	.....	*80.7-88	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £912, 12.50, higher grade three months £938, 39, 40, 39, 39.5, 40, 41, 40.5, 41, 41.50, 42. Cathodes, three months £937. Kerb: Wirebars, three months £942. Afternoon: Wirebars, three months £935, 34, 35, 35.5, 35, 34.50, 34, 34.50, 34, 33.50, 33, 33.50. Kerb: Wirebars, three months £934, 34.50, 34, 35. Turnover: 18,200 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8275-85	+65	8180-200	+25
3 months	8465-70	+185	8395-400	+35
Settlem't	8285	+65	—	.....
Standard				
Cash	8275-85	+65	8180-200	+25
3 months	8465-70	+185	8395-400	+55
Settlem't	8285	+65	—	.....
Straits E.	$836.62	+0.02	—	.....
New York	—	.....		

Tin—Morning: Standard, cash £8,280, three months £8,420, 30, 40, 45, 50, 55, 60, 65, 70. Kerb: Standard, three months £8,460, 50, 40, 30, 20, 8,400. Afternoon: Standard, three months £398, 97, 96, 95, 98, 400, 01, 04, 03, 04, 05, 06, 05.50, 06. Kerb: Standard, three months £8,380. Turnover: 1,625 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	395.5-6.5	+11.2	394-5	+5.75
3 months	405.5-6.5	+10.2	405.5-6	+7
Settlem't	396.5	+11.5	—	.....
U.S. Spot	—	.....	*58-42	.....

Lead—Morning: Cash £397, three months £401, 400, 400.50, 01, 01.50, 01, 02, 03, 04, 05, 06, 07, 08, 09. Kerb: Three months £404, 03, 02, 01. Afternoon: Three months £398, 97, 96, 95, 98, 400, 01, 04, 03, 04, 05, 06, 05.50, 06. Kerb: Three months £405, 06, 07, 06.50, 07, 08, 09, 08.50, 09. Turnover: 21,650 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	499-500	+6	503-4	+1
3 months	513.5-4	+6.5	516-7	+1.25
S'ment	500	+6	—	.....
Primw'ts	—	.....	*45.5-50	.....

Zinc—Morning: Three months £515, 16, 15, 14.50, 16, 17, 16, 15, 14, 13.50. Kerb: Three months £514, 13. Afternoon: Three months £510, 09, 08, 08, 10, 11, 13, 14, 16, 15, 14, 13.50, 14, 15, 16. Kerb: Three months £516, 16.50, 16, 15.50, 16, 17. Turnover: 20,300 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	630-1	+5	635.5-1.5	+3.5
3 months	650-.5	+3.75	656-7	+1.75

Aluminium—Morning: Three months £655, 55.50, 56, 57, 58. Kerb: Three months £655. Afternoon: Three months £654, 55, 55.50, 56. Kerb: Three months £655.50, 56, 56.50. Turnover: 8,650 tonnes.

Nickel—Morning: Three months £3,040, 45, 40, 30, 35, 30. Afternoon: Three months £3,025, 20, 10, 3,000. Kerb: Three months £2,980, 95, 90. Turnover: 880 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2955-65	.....	2915-25	—50
3 months	3030-40	+2.5	2980-90	—55

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 1.25p an ounce lower for spot delivery in the London bullion market yesterday at 498.75p. U.S. equivalents of the fixing levels were: spot $9.08, down 1c; three-month $9.426, down 0.4c; six-month $9.791, down 0.4c; and 12-month $10.566, down 0.4c. The metal opened at 499¾-503p ($9.10-9.15) and closed at 497½-502½p ($9.05-9.10).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	498.75p	-1.25	498.5p	-6.5
3 months	517.75p	-0.80	517.25p	-5.75
6 months	536.80p	-0.20	—	.....
12months	577.60p	-0.10	—	.....

LME—Turnover 132 (112) lots of 10,000 ozs. Morning: three months 518.0, 18.5, 19.0. Kerb: three months 518.0, 18.5. Afternoon: untraded.

COCOA

Futures opened lower but steadied on light short covering and book squaring for prices to close with modest gains. Actuals business was scarce, reports Gill and Duffus.

Sales: 2,983 (5,535) lots of 10 tonnes.

COCOA	Yes'rday's Close	+ or —	Business Done
Dec	1185-87	+4.5	1198-73
March	1193-95	+11.5	1200-177
May	1190-91	+8.0	1200-178
July	1191-92	+0.5	1201-181
Sept	1196-97	-4.0	1206-189
Dec	1207-09	+0.5	1212-02
March	1205-20	-7.5	1215

ICCO—Daily price for October 23: 94.62 (93.82): indicator prices for October 26: 96.06 (97.69).

COFFEE

Robustas opened higher as expected but generally trading was thin, reports Drexel Burnham Lambert. A very steady New York induced some commission house stops, and as values tested chart resistance areas, trade selling dampened any breakthrough. On a firm close prices had risen to the highs although trading was well matched on both sides.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov	1120-24	+15.0	1122-07
Jan	1127-28	+13.0	1128-10
March	1129-30	+16.0	1130-10
May	1124-25	+13.0	1126-09
July	1126-27	+15.0	1127-11
Sept	1120-25	+10.0	1121-10
Nov	1115-30	+13.5	1115

Sales: 4,187 (2,483) lots of 5 tonnes. ICO 1979 indicator prices for Oct 22: (U.S. cents per pound): Comp daily 117.67 (17.09); 15-day average 116.99 (116.78).

GAS OIL FUTURES

After opening weaker on a sharp decline in New York prices rallied to the highs reflecting the firmness in the physical market, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
October	319.50	+3.50	—
November	319.50	+0.25	320.25-18.25
December	321.25	-0.50	322.50-20.25
January	323.50	-0.50	324.50-23.00
February	325.25	-0.75	325.25
March	325.75	-1.25	327.25-25.75
April	326.75	-1.75	—
May	326.75	-0.25	327.00-26.00
June	327.00	-1.00	—

Turnover: 1,433 (1,554) lots of 100 tonnes.

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Oct 115, Nov 118.25, Dec 119 transhipment East Coast sellers. English Feed fob Nov 110.50 East Coast seller. Maize: French early Nov 127.25 quoted transhipment East Coast. S. African White Nov 86.25 seller. S. African Yellow Nov 86.25 seller. Barley: English Feed fob Oct 104.25, Nov 105.25 East Coast sellers. Rest unquoted.

The market opened lower on wheat and unchanged on barley and new crops. End of the week short covering provided some buying but trade and country selling eased the market back. The Nov positions were well supported by commercial buying and trade short covering, Arli reports.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 107.90, E. Mids 108.50. Feed barley: Eastern 100.00, E. Mids 98.40, N. East 99.50, Scotland 95.90. The UK Monetary coefficient for the week beginning Monday October 26 will remain unchanged.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
Nov	104.75	-0.15	100.25	-0.05
Jan	108.05	-0.15	105.70	-0.15
Mar	111.55	-0.20	107.15	-0.20
May	115.55	-0.30	110.60	-0.25
July	118.80	-0.40	—	
Sep	106.50	—	100.45	-0.15

Business done—Wheat: Nov 105.20-104.75, Jan 108.30-108.00, Mar 111.85-111.50, May 115.70-115.30, July 119.20-118.85, Sept no trades. Sales: 405 lots of 100 tonnes. Barley: Nov 100.55-100.25, Jan 105.90-103.75, Mar 107.50-107.25, May no trades, Sept no trades. Sales: 209 lots of 100 tonnes.

RUBBER

The London physical market opened slightly steadier and attracted little interest throughout the day to close quiet. Lewis and Peat reported an fob price for No 1 RSS in Kuala Lumpur of 227.5 (225.5) cents a kg and SMR 20 180.5 (180.0).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Nov	56.00-56.50	56.20-57.00	56.10-56.80
Dec	56.40-56.50	57.10-57.50	57.00-56.50
Jan-Mar	58.50-58.40	58.80-58.90	59.20-58.40
Apl-Jne	62.40-62.50	62.70-62.80	63.20-62.30
Jly-Sept	65.70-65.80	66.00-66.10	65.90-65.80
Oct-Dec	69.00-69.10	69.30-69.50	69.50-69.20
Jan-Mar	72.50-72.50	72.70-72.80	72.70-72.40
Apl-Jne	75.60-75.70	76.00-76.10	76.20-75.70
Jly-Sept	78.90-79.00	79.30-79.40	—

Sales: 205 (142) lots of 15 tonnes. 33 (nil) at 5 tonnes. Physical closing prices (buyer) were: Spot 55.00p (54.50p); Nov 52.75p (52.50p); Dec 54.00p (53.50p).

SOYABEAN MEAL

The market opened slightly easier but early commission house buying steadied prices, reports T. G. Roddick. The market remained firm in active conditions but later eased on trade selling.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
December	132.50-32.9	-0.20	132.30-32.00
February	136.30-36.7	-0.15	136.70-36.00
April	138.50-39.5	+0.30	138.40-38.90
June	142.00-42.5	+0.50	—
August	142.00-45.0	—	—
October	145.00-48.0	—	—
Dec	144.00-50.0	—	—

Sales: 249 (349) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £154.00 (£157.00) a tonne cif Oct-Nov-Dec shipments. White sugar daily price £173.00 (£175.00).

Prices fluctuated within a narrow range in moderate trading conditions, reports C. Czarnikow.

No. 4 Con-tract	Yest'rdy's close	Previous close	Business done
	£ per tonne		
Jan	165.25-65.75	158.00-68.50	166.00-66.25
March	163.55-65.75	165.55-65.80	165.75-63.86
May	167.70-67.80	169.50-69.90	169.00-67.50
Aug	172.10-72.50	174.00-74.50	174.00-72.00
Oct	176.60-76.50	178.00-78.40	177.50-76.25
Jan	177.75-78.50	179.50-80.00	177.50
March	181.00-81.70	182.00-82.65	—

Sales: 4,389 (4,037) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £375.0 (same) a tonne fob for home trade and £263.0 (£266.5) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for October 22: Daily price 11.68 (11.37): 15-day average 12.19 (12.26).

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order, buyer, seller, business). New Zealand cents per kg. Oct 405 seller, nil; Dec 380, 383, 382-381; Jan 380, 383, 382-381; Mar 391, 392, 391-390; May 397, 398, 399-397; Aug 408, 412, 412-409; Oct 416, 420, 418-416; Dec 418, 423, 421-419; Jan 420, 426, 422-421; Mar 430, 434, 431-429. Sales: 97.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 468.0, 470.0, 469.5-467.0; Dec 487.0, 488.0, 488.0-487.0; Mar 502.0, 502.5, 502.5-501.5; May 513.0, 514.0, 514.0-513.0; July 520.0, 520.5, 520.5-520.0; Oct 518.6, 519.5, untraded; Dec 522.5, 523.5, 523.0; Mar 527.5, 529.5, untraded. Sales: 228.

AMERICAN MARKETS

NEW YORK, Oct 23.

Precious metals came under pressure when markets did not react to Polish news. The livestock markets finished lower in anticipation of heavy country runs for Monday. The grains and soyabeans rallied on indications of further business with the USSR transacted in Europe and on the now critical drought in Argentina. Cotton prices advanced as a favourable export report attracted trade buying. Coffee rallied on dealer buying as trade inventories dropped below desired levels, reported Heinold.

Copper—Oct 73.90 (73.70), Nov 74.10 (73.95), Dec 75.10-75.25, Jan 76.15, Mar 78.15-78.25, May 80.20, July 82.15, Sept 84.10, Dec 86.90, Jan 87.80, Mar 89.70, May 91.60, July 93.50.

Potatoes (round whites)—Nov 66.8-67.2 (67.8), Feb 72.8 (75.3), Mar 75.8-76.2, April 85.0-85.5. Sales: 1,516.

*Platinum—Oct 409.0 (410.0), Jan 417.0-418.5 (420.4), April 433.5, July 449.3, Oct 464.8.

¶Silver—Oct 915.0 (913.5), Nov 961.5 (915.0), Dec 927.0-929.0, Jan 941.5, Mar 967.0-968.0, May 991.0, July 1016.0, Sept 1041.0, Dec 1078.0, Jan 1090.5, Mar 1115.5, May 1140.5, July 1165.5. Handy and Harman bullion spot: 909.00 (910.00).

Sugar—No. 11: Jan 11.25-11.35 (11.35), Mar 11.85-11.88 (11.90), May 12.22-12.25, July 2.51-12.52, Sept 12.80-12.84, Oct 13.06-13.07, Mar 13.75-13.80. Sales: 4,349.

Tin—674.00-689.00 (674.00-687.00).

CHICAGO, Oct 23.

Lard—Chicago loose 20.25 (20.00-20.25).

Live Cattle—Dec 64.25-64.10 (64.62), Feb 64.40-64.25 (64.92), April 64.75-64.70, June 65.55-65.50, Aug 64.95-65.00, Oct 63.70.

Live Hogs—Dec 48.45-48.40 (48.70), Feb 49.20-49.12 (49.72), April 47.20-47.10, June 49.57-49.60, July 50.10-49.90, Aug 48.95, Oct 46.90, Dec 47.90, Feb 48.12.

‡‡Maize—Dec 287-287½ (287), Mar 306¼-306½ (305¾), May 319-319¼, July 327¾-328, Sept 332½, Dec 338-338½.

Pork Bellies—Feb 66.50-66.60 (67.32), Mar 66.70-66.55 (67.17), May 67.70-67.60, July 68.72-68.50, Aug 68.00.

†Soyabeans—Nov 651-649 (648¾), Jan 669-669½ (667¾), Mar 691½-691, May 712-713½, July 730, Aug 734½, Sept 735, Nov 740½.

‖Soyabean Meal—Dec 189.0-189.3 (188.8), Jan 193.3-193.7 (192.9), Mar 199.3-199.5, May 204.5, July 210.0, Aug 212.0, Sept 211.0-212.0, Oct 212.0-213.0, Dec 214.0-215.0.

Soyabean Oil—Dec 21.03-21.01 (20.96), Jan 21.46-21.45 (21.38), Mar 22.23-22.24, May 22.80, July 23.45, Aug 23.65-23.70, Sept 23.75, Oct 23.85-23.90, Dec 24.10-14.15.

†Wheat—Dec 438-437½ (430), Mar 455-454½ (457), May 474¾-476, July 472¼-472½, Dec 500.

WINNIPEG, Oct 23.

§Barley—Oct 122.250 (123.70), Dec 125.40 (126.30), Mar 130.50, May 133.70, July 134.70.

*Gold—Oct 431.0 (433.5), Nov 431.0 (434.2), Dec 435.5-436.7, Feb 446.0-447.6, April 457.0, June 469.6, Aug 480.9, Oct 492.5, Dec 504.3, Feb 516.2, April 528.1, June 540.0, Aug 552.0. Sales: 26,000.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Thursday's closing prices

NEW YORK, October 22.

††Cocoa—Dec 1926 (1946), March 1988 (1984), May 2025, July 2043, Sept 2061, Dec 2079, March 2100. Sales: 4,667.

Coffee—"C" Contract: Dec 134.50-134.80 (133.28), March 129.40-129.50 (128.63), May 125.99-126.00, July 125.50-125.70, Sept 124.90, Dec 122.00-123.25, March 119.00-122.00. Sales: 2,051.

Cotton—No. 2: Dec 65.00-65.05 (65.72), March 67.18-67.30 (68.07), May 69.10, July 70.55-70.75, Oct 72.80-73.00, Dec 74.15, March 75.35-75.75. Sales: 4,925.

Orange Juice—Nov 112.55 (115.45), Jan 115.10-115.40 (118.70), March 117.80, May 120.00, July 122.70, Sept 123.30-123.50, Nov 124.00-124.50.

Heating Oil (dollars per U.S. gallon)—Nov 0.9808, Dec 0.9912, Jan 1.0013, Feb 1.0101, March 1.0087, April 1.0018, May 1.0000, June 0.9965, July 1.0200, Aug 1.0200, Sept 1.0300, Oct 1.0425. Turnover: 12,570.

CHICAGO, October 22.

Chicago Imm Gold—Dec 439.2-440.5 (437.9), March 456.0-457.0 (454.7), June 474.2, Sept 492.0, Dec 510.0, March 528.2, June 546.6.

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INDICES

FINANCIAL TIMES

Oct. 22	Oct. 21	Month ago	Year ago
255.61	257.66	259.08	277.07

(Base: July 1, 1952=100).

MOODY'S

Oct. 22	Oct. 21	Month ago	Year ago
1000.7	996.6	1018.1	1321.4

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 22	Oct. 21	Month ago	Year ago
Spot	361.91	353.75	360.08	486.47
Fut'res	369.05	370.20	369.20	503.77

(Average 1924-25-26=100)

REUTERS

Oct. 23	Oct. 22	M'nth ago	Year ago
1657.4	1654.8	1674.3	1748.6

(Base: September 18, 1931=100)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 168 tonnes. Steady buying took place, as spinners showed quiet confidence in the price level, and wanted additional supplies of various growths.

MEAT/VEGETABLES

MEAT COMMISSION—Average Fatstock prices at representative markets. GB—Cattle 83.74p per kg lw (+0.15). UK—Sheep 152.89p per kg est dcw (−10.24). GB—Pigs 81.49p per kg lw (+0.44).

★

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.00, codling £3.50-£4.50. Small haddock £2.50-£3.20. Large plaice £6.80, medium £6.00-£6.80, best small £4.00-£5.30. Skinned dogfish (medium) £8.00. Lemon soles (large) £12.50, (medium) £10.00.

BANKS, DISCOUNT (426)

BREWERIES (316)

Clark (Matthew) Sons (Hldgs.) 148 (20/10)
Davenports' Brewery (Hldgs.) 105 7
Devenish (J. A.) 250 (21/10)
Distillers (50p) 163 4 5 6 7 8‡ 9 70 1‡ 1 2 3 4
Greenall Whitley 122 3
Greene King Sons 264
Guinness (Arthur) Son 58 9‡ 9 60 1
Hardys and Hansons 355 (19/10)
Highland Distilleries (20p) 77 8
Higsons Brewery 60
Invergordon Distillers (Hldgs.) 154 5 (21/10)
Irish Distillers Grp. (Ir£0.25) 49 50

COMMERCIAL (5,910)

A—B

Atkins Bros. (Hosiery) 51
Attwood Garages 72
Audiotronic Hldgs. (10p) 5 (19/10)
Ault Wiborg Group 26 7
Aurora Hldgs 13 4½ 5. 8pcPf. (£1) 23 (20/10). 8.25pcPf. 23 4 (21/10)
Austin (F.) (Leyton) (10p) 9½ (21/10)
Austin (James) Steel Hldgs. 60 (19/10)
Automated Security (Hldgs.) (10p) 155◈. 8pcLn. 125 (16/10)
Automotive Prods. 42◈
Avana Group (5p) 228 9 30 2 3‡ 3 5
Avon Rubber (£1) 110 2 3‡

BASF 560½ (16/10)
BAT 347 50 1 2 3 5 7 8‡ 8 9 60 1 2 3

Spent nuclear fuel ship named at Tyneside

THE THIRD purpose-built ship for the transport of irradiated, or spent, nuclear fuel was formally named at a ceremony at Swan Hunter's Hebburn yard on Tyneside yesterday.

The Mediterranean Shearwater, 1,600 dwt, was ordered from Swan Hunter Shipbuilders by British Nuclear Fuels Ltd. in May 1980, and is intended principally for the shipment of spent fuel from Italy to Sellafield, Cumbria.

The other two purpose-built ships, Pacific Swan and Pacific Crane, which entered service in 1979 and 1980 respectively, were built to carry spent fuel from Japan for reprocessing at Sellafield, and Cap La Hague, in Northern France.

They are operated by Pacific Nuclear Transport, a subsidiary of BNFL.

Mediterranean Shearwater, which has cost about £7m, was naed by Mrs Vera Tatlock, wife of Mr Jack Tatlock, assistant managing director of BNFL. Also present were Mr Con Allday, managing director, and Mr John Steele, chairman of Swan Hunter.

The European reprocessing and associated transport contracts will earn in excess of £100m in export business for BNFL during the next decade, and are therefore important to British industry and the British economy, said BNFL.

Earlier this year PNTL placed an order with Swan Hunter for a further ship to carry spent fuel from Japan to Europe. This new vessel (3,000 dwt), a similar size to the first two purpose-built ships, should be in service by August 1982.

Mediterranean Shearwater has an overall length of 80 metres and a breadth of 12.5 metres. The twin-screw vessel is propelled by twin Ruston dieshel engines. A bow thruster unit and independently operated twin rudders are also fitted for greater manouevrability and several key features are also built into the ship to give greater margins of safety.

The ship is designed to carry 12 special fuel flasks which can range in size between 50 and 100 tonnes in weight, which will carry a total of 30 tonnes of spent fuel.

Rank Xerox to appoint dealers

RANK XEROX is to sell its products through third parties for the first time in the UK. The company is to appoint a number of dealers in rural areas to sell its low-to-medium volume copiers.

Previously Rank Xerox has sold only through its own sales force or wholly-owned Xerox stores. The company says it does not intend to appoint copier dealers in areas of major population.

CONTRACTS

Orders worth more than £500,000 have been placed by British Rail for an all-electric system for detecting trains on electrified, continuously-welded jointless track. The equipment is the result of a 10-year development programme undertaken by **ML ENGINEERING (PLYMOUTH)**. The equipment is mainly for use within the Western and Southern Regions.

★

For delivery during the autumn term, Manchester University has ordered 130 special long-page visual display terminals from **NEWBURY LABORATORIES**. Together with a number of 125 character per second matrix printer terminals the initial contract is valued at £100,000. Sixty of the display terminals will be located in teaching laboratories for use by 350 students in computer science and a further 1,000 pupils from other faculties. Linked to the university's Cyber 170/720 computer, the remaining 70 VDUs will be located throughout the campus for use by staff for research, data entry and on-line inquiry applications.

EUROPEAN OPTIONS EXCHANGE

Series		Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May. Vol.	May. Last	Stock
GOLD C	$425	29	21 A	23	42	—	—	$430
GOLD C	$450	17	8	—	—	—	—	"
GOLD C	$475	10	3	—	—	30	34	"
GOLD C	$500	1	2 A	2	13 A	—	—	"
GOLD P	$400	—	—	—	—	40	8.50 B	
GOLD P	$425	9	8.50 B	—	—	—	—	"
GOLD P	$450	—	—	8	25	—	—	"
GOLD P	$475	—	—	3	42 B	—	—	"
GOLD P	$500	1	66 B	—	—	—	—	"
		Jan.		April		July		
ABN C	F.280	2	13.50	—	—	—	—	F.282
ABN C	F.300	35	3.50	4	7	—	—	"
AKZO C	F.20	10	2.80	—	—	—	—	F.21
AKZO C	F22.50	10	1.10	14	1.70	—	—	"
AKZO C	F.25	35	0.50	—	—	—	—	"
AKZO C	F.27.50	13	0.20	14	0.50	—	—	"
AKZO P	F.22.50	41	1.70	—	—	—	—	"
HEIN C	F.45	7	4	—	—	—	—	F.46.50
HEIN P	F.45	5	1.10	—	—	—	—	"
HOOG C	F.15	2	0.90	—	—	—	—	F.14.20
IBM C	$60	—	—	10	1⅛	—	—	$51 1/16
IBM P	$60	—	—	3	9⅛	—	—	"
KLM C	F.90	20	19 A	12	23.50	—	—	F.103
KLM C	F.100	82	12.20 A	6	16.50	—	—	"
KLM C	F.110	141	7.90	61	11.50	—	—	"
KLM C	F.120	156	5.50	33	8.50 A	—	—	"
KLM C	F.130	57	3.20	—	—	—	—	"
KLM C	F.140	47	1.80	—	—	—	—	"
KLM C	F.150	37	1.20	—	—	—	—	"
KLM P	F.80	46	0.90	—	—	—	—	"
KLM P	F.90	49	2.30	—	—	—	—	"
KLM P	F.100	76	5.30	15	7.50 B	4	9	"
KLM P	F.110	36	10.50 B	—	—	—	—	"
NEDL C	F.130	4	13.50	—	—	—	—	F.137
NEDL C	F.140	23	620	5	12.50 B	—	—	"
NEDL C	F.150	9	3.30	—	—	—	—	"
NEDL C	F.160	10	2.20	—	—	—	—	"
NEDL P	F.130	—	—	—	—	7	7.50	"
NEDL P	F.140	20	7.50	—	—	—	—	"
NATN C	F.110	25	4	—	—	—	—	F.107.70
NATN C	F.115	4	2	7	3	—	—	"
NATN C	F.120	4	1	—	—	—	—	"
NATN C	F.125	5	0.60	—	—	—	—	"
NATN P	F.105	15	1.20	—	—	—	—	"
NATN P	F.110	3	4.50	—	—	—	—	"
PHIL C	F.17.50	10	3	—	—	—	—	F.19.90
PHIL C	F.20	45	1.30	20	2.20	45	2.50	"
PHIL C	F.22.50	316	0.60	—	—	77	1.50	"
PHIL P	F.20	40	1.20	—	15 A	—	—	"
RD C	F.70	71	11.20	5	8.20	—	—	F.78
RD C	F.80	152	4.90	16	—	—	—	"
RD C	F.90	188	1.80	—	—	—	—	"
RD C	F.100	16	0.70	14	2.30	—	—	"
RD P	F.70	102	1.20	—	—	—	—	"
RD P	F.80	158	4.60	16	5.50 B	—	—	"
RD P	F.90	6	12	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 2695

A=Asked B=Bid C=Call P=Put

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thurday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those shares in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid

‡ Bargains at special prices. △ Bargains done with a non-member or executed in overseas market ◈ Bargains done previous day. $A—$Australian: $B—$Bahamian: $C—$Canadian: $HK—$Hong Kong: $J—$Jamaican: $Ma—$Malayan: $Mc—$Mexican: $NZ—$New Zealand: $S—$Singapore: $US—$United States; $WI—$West Indian.

Dowding & Mills (10p) 24½ 5½ (21/10)
Downiebrae Hldgs (10p) 20‡ 1½‡
Downs Surgical (10p) 24½ 5 (20/10)
Dowty Group (50p) 137p 8 9 40 2. New (50p) 138 9 40 2
Drake & Scull Hldgs (1p) 38p ½
Dreamland Electrical Appliances PLC (10p) 17
Dubilier (5p) 42½ 3 (19/10)
Duchie Steels 86p◈
Dufay Bitumastic (10p) 45. 10¾pcLn. 114 (21/10)
Dundonian (20p) 53
Dunlop Hldgs (50p) 53p 6 ½ 7 8 9
Duple International 31p 2 ½‡ 3
Duport 9
Durapipe International 38

E—F

Grattan PLC 72 4 5
Great Universal Stores 370. A 363 4 5 6 7‡ 8 70 1
Greatermans Stores A (R0.50) 540 (19/10)
Greenbank Inds. Hldgs. (10p) 25 6
Greenfields Leisure (10p) 27
Green's Economiser Grp. 128 9
Grimshawe Hldgs. (20p) 20 (20/10)
Gripperrods Hldgs. (10p) 97 8 (19/10)
Grp. Lotus Car Co. (10p) 27 (21/10)
Guest Keen Nett. (£1) 143 4 ½‡ 5 6 7‡ 7 8 9‡ 9 50 1. 6½pcUns.Ln. 72½

HAT Grp. (10p) 63 4½ 5½
HTV Grp. Non.V 92 45
Habit Precision Eng. (5p) 8 (21/10)
Habitat Grp. (10p) 124 5 6 7 8. New

G—H

Glynwed 75 7 ½ 8 ½ 9. 6pcLn. 66½ (20/10)
Gnome Photographic Products (10p) 53 (19/10)
Goldberg (A.) Sons 50
Gomme Hldgs. 24 5 6
Goodkind (W.) Sons (10p) 33 (19/10)
Goodman Bros. Stockman (5p) 10½ (20/10)
Goodwin (R.) Sons (Engineers) (10p) 9½ (21/10)
Gordon (Luis) (10p) 34 (21/10)
Grace (W. R.) ($1) 23½ (20/10)
Grampian Hldgs. PLC 43
Grampian Television Non-Vtg. (10p) 33
Granada A 200◈ 194 5 6 7 9 200 1
Grand Metropolitan (50p) 159◈ 61◈ 153 4 5‡ 6 7‡ 7 8‡ 8 9 ½ 60 80
Grant Bros. 165 7‡

I—J—K

L—M

LCP Hldgs. 61 7½ 2 ½
LRC Intnl. (10p) 38 ½ 9 40
LWT (Hldgs.) A Non-Vtg. 108 10½ 1 2
Ladbroke Grp. (10p) 131 2 3‡ 3 4 6 ½‡. Warrants to sub. 86 8 91‡
Ladies Pride Outerwear (20p) 46½ 7 8
Laing (John) PLC 44 7. A 44 5
Laird Grp. 107 ½ 8 ½
Lake and Elliot 28 ½ 30
Lambert Howarth Grp. (20p) 45◈
Lamont Hldgs. (10p) 19
Lanca (20p) 38 9 (21/10)
Lancaster (D. M.) (5p) 17½ 8 9
Lane (Percy) Grp. (10p) 43 4
Laporte Industries (Hldgs.) (50p) 106 9 11

RECENT ISSUES

EQUITIES

Issue price p	Amount Paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing price p	+ or —	Div. p. or amount	Times covered	Gross yield	P.E. ratio
§110	F.P.	13/11	133	120	Habitat	126	—2	u3.6	1.4	4.1	23.6
52	F.P.	2/10	56½	43	Jeavons Eng.	44	......	b3.75	1.7	12.5	5.6
63	F.P.	—	71	69	✻JohnstonesP'int10p	69	—1	b5.53	2.5	7.3	7.2
·28	F.P.	30/10	30	24	✻Lon. Private Health	27	......	—	—	—	—
—	F.P.	—	180	136	Nippon Electric	158	......	Q13%	2.9	1.0	54.9
100	F.P.	26/10	105	94	Precious Metals Tst.	102	......	—	—	—	—
—	F.P.	16/10	187	155	✻UtdFrdl'yins.B.R.V.	187	+5	†h6.25	—	4.8	—
§15	F.P.	25/9	17½	7	✻Willaire Systems10p	7	—5	—	—	—	—
¶¶	F.P.	11/9	15	6	Do. Rest. Div.10p	6	—1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981 High	1981 Low	Stock	Closing price	+ or —
‖	F.P.	26/10	100⅛	98	Austin (F.) Leyton 11½%PtlyCnv.Red 1994	98	......
¶¶	F.P.	—	64	62	Brooke Bond Leibig 8¾% Deb. '87/92	62	—1
·100	£10	—	12	12	E. Worcs Waterworks 10½% Rd. Prf. '86	12	......
··	F.P.	—	99½	92	Hawley Leisure 12½% Cum. Pref.	92	......
‡100	F.P.	—	100⅛	98	Nat'wide Bdg Society14¾%Bds(25/8/82	98⅛	......
‡100	F.P.	—	99¾	98⅛	do 15¼% Bds (29/9/82)	98⅛	—¼
‡100	F.P.	—	99⅞	99⅛	do 16½% Bds (27/10/82)	99⅛	—¼
97.29	£25	—	23¼	22⅛	Nova Scotia (Province of) 6⅞% Ln2011.	22⅛	—⅜
100	£10	—	101	100	Portsmouth 10% Prf. 1986	100	......
—	—	—	5p	½p	Sterling Credit Warrants	2p	—¼
100	£10	—	12	12	TenderingH'dred Water10½%Rd. Prf.'88	12	......
97.33	£30	—	29¾	27	Utd. Mexican States 16½% Ln. 2008	28	......

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1981 High	1981 Low	Stock	Closing price p	+ or —
14	Nil	30/10	20/11	6pm	3pm	British Benzol	3pm	—1
275	125p	13/7	2/12	182	104	BP	146	+2
76	F.P.	13/10	12/11	78½	69	Brown (J)	71	—1
182	F.P.	23/10	27/11	191	182	Foseco Minsep	184	+2
90	F.P.	21/10	26/11	103	90½	Heelamat	102	—1
250	F.P.	22/10	19/11	282	250	Viner's Unitat	250	—2

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. *F* Dividend and yield based on prospectus or other official estimate for 1981. *Q* Gross. *T* Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✻ Unlisted Securities Market. ‡‡ London Listing. † Effective issue price after scrip. ‡ Comprising 50 Ordinary of 1p and £1 of 10 per cent Loan 1988.

W—Y—Z

W Ribbons (10p) 14½ 5 ½ (21/10)
WGI 78
Waddington (John) 100
Wade Potteries (10p) 30◈
Wadkin (50p) 64 (21/10)
Wagon Industrial 68
Walker Homer (5p) 8¾ 9 ½‡
Walker Staff (5p) 16 (21/10)
Walker (C. W.) 22½ 5
Walker (J. O.) 85 (20/10)
Walker (James) Goldsmith 65 (16/10)
Walker (Thomas) (5p) 9 (21/10)

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

Cabital National 145 8 138 (21/10)
Cardinal Inv. Dfd. 124 (20/10)
Cedar Inv. 79 (21/10)
Channel Islands Intnl. Inv. Inc. (£1) (16/10). Cap. (£1) 184 (19/10)
Charter Tst. Agency 64½ 5½
Child Health Research PLC (£1) (16/10)
City Commercial Inv. 29 30 (21/10) (£1) 207 (21/10)
City Foreign 71 (20/10)
City Oxford 92
Claverhouse PLC (50p) 115
Colonial Secs (5p) 50
Continental Indstl 244 (20/10)
Continental Union 136 (21/10)
Crescent Japan PLC (50p) 314 5‡

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 19	Oct 30	Jan 21	Feb 1
Nov 2	Nov 13	Feb 11	Feb 22
Nov 16	Nov 27	Feb 25	Mar 8

For rate indications see end of Share Information Service

Money was given for the call in Tozer Kemsley and Millbourn, Dixons Photographic, Marler Estates, Premier Oil, Royal Bank of Scotland, ICI, FNFC, Pleasurama, Town and City Properties, British Home Stores, Amalgamated Estates, British Aerospace and BLMC 6.5 per cent Unsecured loan. A put was taken out in Hawker Siddeley, while doubles were arranged in FNFC, Premier Oil, KCA International, Royal Bank of Scotland and RTZ.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bowater	200	—5	Lucas Industries	186	—4
BP	296	+4	Racal Electronic	378	—7
Hanson Trust	261	—11	Royal Bk of Scotland	159	+9
ICI	256	+2	Shell Transport	368	+4
KCA International	135	+8	Smith Industries	287	—13
Land Sec.	281	—1	Tarmac	316	—4

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
ICI	23	254	—6	Premier Cons.	14	58	—5
GEC	19	678	—11	Distillers	13	164	—10
Beroc	18	116	+10	Grand Met	13	155	—3
BP	17	292	—12	KCA Intl.	13	127	—4
RTZ	16	463	—10	Marks & Spen.	13	111	—
LASMO	14	475	—20	Tozer Kems.	13	72	—3
Polly Peck	14	330	+15	Ryl Bk of Scot.	12	150	+4

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week	Stock	No. of price changes	Thurs. closing price pence	Change on week
GEC	87	678	—12	Shell Trans	64	352	+14
ICI	84	254	—6	Racal Elec	62	385	—20
BP	72	292	+4	Cns. Gold Flds	54	488	+3
RTZ	72	463	—17	Brit Aerospace	53	272	+3
Glaxo	70	392	+10	Hawker Sidd	52	284	+14
Plessey	68	234	—10	Midland Bank	51	308	+3
Marks & Spen.	66	111	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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UNIT TRUSTS (4)

MINES—MISCELLANEOUS (223)

MINES—SOUTH AFRICAN (76)

OIL (772)

PROPERTY (225)

PLANTATIONS (41)

RAILWAYS (6)

SHIPPING (65)

UTILITIES (21)

UNLISTED SECURITIES MARKET (521)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

* Denotes Irish currency.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

* Denotes Irish currency.

All England Lawn Tennis Gnd. £6,350 75 (16/10)
Ann Street Brewery 305 (21/10)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

* Denotes Irish currency.

American Oil Field Systems 102 3 4 6
Aran Energy (Ir£0.20) 23 6 8 33*
Atlantic Resources (Ir£0.25) 244 50 3 5
Berkeley Exploration and Production 304½ 5 7 8 10 2 3 ½ 4 5 6 7
Caledonian Offshore 110
Candecca Resources 167 8 9 70 ½ 1
Eglinton Oil and Gas (Ir£0.20) 105 8 9 10
Explaura Gold (1p) 9½
Explaura Gold (10p) 9
Kenmare Oil Exploration (Ir£0.25) 20
Marinex Petroleum 123 5 7
New Court Oil Ventures 115 ½
Steaua Romana (British) 35
Sun Oil (UK) Oil Royalty Stock 120 5

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 6555)	14½	½-year	1,000	1-3
Rushcliffe (0602-811511)	14½	½-year	500	1-4

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Aid to Thrift	†10.50	10.75	—	—
Alliance	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.75 6 yrs., 9.50 1 mth. notice int. loss
Bradford and Bingley	8.25	8.50	9.75	9.50 1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50 5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	8.50	9.75	9.25 3 mths.' not. & 9.50 on balances of £10,000 and over. Escalator shares 9.00-10.50 (1-5 yrs.)
Britannia	8.25	8.50	9.75	10.00 5 yrs., 9.50 3 months' notice
Burnley	†9.50	9.75	11.00	11.75 5 yrs., 10.75 3 months' notice
Cardiff	8.25	9.50	10.50	—
Catholic	8.25	8.75	9.75	— 8.95 over £5,000
Chelsea	8.25	8.50	9.75	10.50 5 yrs., 9.90 1 yr., 9.50 3 months
Cheltenham and Gloucester	8.25	8.50	9.75	—
Citizens Regency	—	8.75	10.00	10.75 5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	†9.75	11.00	11.25	11.25 Capital City shs. 4 mths.' notice
Coventry Economic	†9.50	9.75	11.00	11.25 4 yrs., 11.00 3 yrs., 10.75 3 mths.
Coventry Provident	8.25	8.50	9.75	9.50 E.I. a/c £500 min., 9.75 £5,000+
Derbyshire	†9.50	9.75	11.00	10.25-10.85 3 mths.' not.
Ealing and Acton	8.25	9.00	—	9.65 2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Gateway	—	9.50	—	— Plus a/c £500 min. Int. ½-yearly
Greenwich	—	8.75	10.00	10.75 5 yrs., 10.00 3 months' notice
Guardian	8.25	8.75	—	10.00 3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	— 3 mths.' notice 9.50, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00 4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25 6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.00 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	8.25	8.75	10.50	10.75 5 yrs., 10.50 6 mths.
Leamington Spa	8.35	8.60	11.50	10.10 (1 year)
Leeds Permanent	8.25	8.50	9.75	9.25 E.I. a/c £500 min., 9.50 £5,000+
Leicester	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	10.50 5 yrs., 9.55 1 month int. penalty
London Grosvenor	8.25	9.00	11.00	9.50 6 months' notice
Mornington	9.10	9.60	—	—
National Counties	†9.75	10.05	11.05	10.75 35 days' not. min. dep. £500, 6 mth. 11.15 min. dep. £500, 12.25 at 9 mths.' not. min. dep. £2,000
Nationwide	†9.50	9.75	11.00	11.75 5 yrs., £500 min. 90 days' not. Bonus a/c 10.50 £2,500 min., 10.75 £10,000 + 28 days' not.
Newcastle	8.25	8.50	9.75	10.50 4 yrs., 9.50 2 mths.' not. or on demand 1 mth. interest penalty
New Cross	10.50	10.75	—	10.75-11.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50 3 yrs., 9.25 2 yrs., min. £500
Paddington	8.00	9.00	10.50	10.00 Loss 1 month int. on sums wdn.
Peckham Mutual	8.50	9.50	—	10.00 2 y, 10.50 3 y, 11.00 4 y, 9.75 Bns.
Portman	8.25	8.50	9.75	10.50 5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85 (5 yrs.), 10.25 (6 months)
Property Owners	8.50	9.00	10.50	10.50 5 yrs., 10.50 6 mths., 9.80 3 mths.
Provincial	8.25	8.50	9.75	10.75 4 yrs., 10.00 3 yrs., 9.50 2 mths.
Skipton	8.25	8.50	9.75	10.50 5 yr., 9.6-9.75 28 dys. int. or wdl.
Sussex County	8.50	8.75	10.55	11.00-9.50 (6-2 yrs.), 9.25 2 mths.' not.
Sussex Mutual	8.50	9.10	10.50	9.25-10.50 all with special options
Town and Country	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	†9.50	10.00	11.00	11.00 6 months' notice, min. £1,000
Wessex	8.50	9.60	—	—
Woolwich	8.25	8.50	9.75	10.50 3 months' notice account 9.50

* Rates normally variable in line with changes in ordinary share rates.
† Rates applicable as from November 1 1981. ‡ Rates applicable as from December 1 1981.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

MONEY MARKETS

London clearing banks base lending rates 15½ per cent (since October 15)

The Treasury bill rate rose by 0.6088 percentage points to 15.9537 per cent at yesterday's tender and the minimum accepted bid fell to £96.015 from £96.165. Bids at that level were met as to about 40 per cent and above in full. The £100m of bills on offer attracted bids of £230.225m and all bills offered were allotted. Next week a further £100m of bills will be on offer.

Day to day funds were again in short supply in the money market, with the Bank of England indicating a shortage of around £150m. Factors affecting the market included bills maturing in official hands—£40m, bills for repurchase by the market—£225m and a rise in the note circulation—£125m, partly offset by Exchequer transactions +£275m. During the morning the Bank gave assistance totalling £139m. This comprised a sale and repurchase agreement of £139m bills at 15-15¼ per cent unwinding on October 29. The forecast was amended at 2 pm to −£250m and the Bank gave additional help by arranging another sale and repurchase agreement on £75m bills at 15-15¼ per cent, unwinding on October 27. Total assistance came to £214m.

The help appeared to be a little underdone and some discount houses spent an anxious moment or two but only paid up to 15½ per cent for secured call loans. In the interbank market weekend money traded at 15½-15¾ per cent for much of the day but late demand pushed closing balances up to at least 85 per cent.

EXCHANGES AND BULLION

Trading was rather quiet in currency markets yesterday ahead of the weekend. The dollar eased a little in featureless trading ahead of U.S. money supply figures due after the close in London. Sterling appeared to gain some support from higher UK interest rates and finished the day slightly firmer overall. The dollar closed at DM 2.2740 against the D-Mark down from DM 2.2810 on Thursday and SwFr 1.8895 from SwFr 1.9010 in terms of the Swiss franc. It was also down against the Japanese yen at Y232.20 from Y233.65. On Bank of England figures, the dollar's trade weighted index fell from 109.8 to 109.3.

Sterling opened at $1.8250 against the dollar and trading ranged between a high of $1.8275 and a low of $1.8125. It closed at $1.8205-1.8220, a rise of 55 points from Thursday's close in London. Against the D-Mark it finished at DM 4.1425 hardly changed from DM 4.1450 previously and SwFr 3.4400 from SwFr 3.4500 against the Swiss franc. It rose slightly against the French franc to FFr 10.3900 from FFr 10.3850. On Bank of England figures the pound's trade weighted index rose to 87.9 from 87.8, having stood at 87.8 at noon and 88.0 in the morning.

Gold closed at $430-431, a fall of $1½ an ounce from Thursday and down $14½ from the previous Friday.

THE POUND SPOT AND FORWARD

Oct 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8125-1.8275	1.8205-1.8220	0.18-0.08c pm	0.86	0.15-0.05 pm	0.22
Canada	2.1875-2.1950	2.1925-2.1935	0.55-0.65c dis	−3.28	1.30-1.50dis	−2.55
Nethlnd.	4.55-4.59	4.56½-4.57½	1¼-¾c pm	2.63	4-3½ pm	3.28
Belgium	69.10-69.50	69.30-69.40	20-30c dis	−4.33	65-75 dis	−4.04
Denmark	13.28-13.32	13.30-13.31	½ore pm-½ dis	−0.23	½-1½ dis	−0.30
Ireland	1.1675-1.1725	1.1690-1.1705	0.13-0.25p dis	−1.97	0.41-0.59dis	−1.71
W. Ger.	4.13-4.16	4.13¾-4.14¾	1⅞-1⅝pf pm	4.71	5⅛-4⅞ pm	4.95
Portugal	118.10-119.50	118.70-119.20	75-365c dis	−22.19	120-650dis	−12.95
Spain	176.25-177.50	176.50-176.75	par-20c dis	−0.68	40-75 dis	−1.30
Italy	2190-2199	2196½-2197½	11-14 lire dis	−6.83	34-38 dis	−6.56
Norway	10.88-10.99	10.93¾-10.94¾	3½-2½ore pm	3.22	7½-6½ pm	2.51
France	10.36-10.42	10.38½-10.39½	½c pm-⅞ dis	−0.58	2¾-3¼ dis	−1.06
Sweden	10.16-10.22	10.19½-10.20½	3½-2½ore pm	3.09	9-8 pm	3.33
Japan	423-428	422½-423½	3.65-3.35y pm	9.93	9.60-9.30 pm	8.94
Austria	28.80-29.15	29.05-29.10	15-10 gro pm	5.15	24½-14½ pm	2.68
Switz.	3.43-3.47	3.43½-3.44½	1½-⅞c pm	3.92	4½-4 pm	4.94

Belgian rate is for convertible francs. Financial franc 77.00-77.10. Six-month forward dollar 0.10-0.30c dis, 12-month 0.80-0.90c dis.

GOLD

	Oct. 23		Oct. 22	
Gold Bullion (fine ounce)				
Close	$430-431	(£236¼-237)	$451-433	(£237¾-239)
Opening	$434-434	(£238-238⅜)	$433-434	(£238-238⅛)
Morning fixing	$433.50	(£237.704)	$434.60	(£238.372)
Afternoon fixing	$432.50	(£237.311)	$433.75	(£238.785)
Gold Coins				
Krugerrand	$442½-443½	(243-243¾)	$445½-446½	(£245¾-246¼)
1/2 Krugerrand	$228-229	(£125¼-125¾)	$229½-230½	(£126½-127)
1/4 Krugerrand	$116-117	(£63¾-64¼)	$117-118	(£64½-65)
1/10 Krugerrand	$47½-48½	(£26-26¾)	$47¾-48¾	(£26¼-27)
Mapleleaf	$442½-445½	(£243-244¾)	$445½-448½	(£245¾-247¼)
New Sovereigns	$105¼-106	(£57¾-58¼)	$105½-106½	(£58¼-58¾)
King Sovereigns	$115-117	(£63¼-64¼)	$115¼-117¼	(£63½-64¾)
Victoria Sovs.	$115-117	(£63¼-64¼)	$115¼-117¼	(£63½-64¾)
French 20s	$121.4-125.7	£66¾-69	$122-126	(£67¼-69½)
50 pesos Mexico	$523¾-536	(£292¾-294⅛)	$535-538	(£295-296¾)
100 Cor. Austria	$416½-420	(£229-230½)	$418-421	(£230½-232¼)
$20 Eagles	$590-595	(£324-326¾)	$589-594	(£324¾-327⅛)

EXCHANGE CROSS RATES

Oct. 23	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canadia Dollar	Belgian Franc
Pound Sterling	1.	1.821	4.143	423.0	10.39	3.440	4.570	2197.	2.193	69.35
U.S. Dollar	0.549	1.	2.275	232.3	5.705	1.889	2.509	1206.	1.204	38.08
Deutschemark	0.241	0.440	1.	102.1	2.508	0.830	1.103	530.2	0.529	16.74
Japanese Yen 1,000	2.364	4.305	9.793	1000.	24.56	8.102	10.80	5193.	5.184	163.9
French Franc 10	0.962	1.753	3.987	407.1	10.	3.311	4.398	2114.	2.111	66.75
Swiss Franc	0.291	0.529	1.204	123.0	3.020	1.	1.328	638.5	0.638	20.16
Dutch Guilder	0.219	0.399	0.906	92.56	2.274	0.753	1.	480.6	0.480	15.18
Italian Lira 1,000	0.455	0.829	1.886	192.6	4.730	1.566	2.081	1000.	0.998	31.57
Canadian Dollar	0.456	0.830	1.889	192.9	4.738	1.569	2.084	1002.	1.	31.62
Belgian Franc 100	1.442	2.626	5.973	609.9	14.98	4.960	6.590	3167.	3.162	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Oct. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	15½-15¾	15-15¼	19-20	12¾-13	7-9¼	10¾-10⅞	15⅝-16⅛	18-21	14-16	6-6¼
7 days' notice	15¾ 16	15¼-15⅛	19-20	12¾ 13	17-18	10⅞-11	16-16⅛	21½-24⅛	14-16	6⅜-6⅝
Month	16¼-16⅜	15 9/16-15 11/16	18¾-19⅛	12⅞-13	11⅛-11¼	11 1/16 11 3/16	16⅞-17⅛	22¼-24	16½-20⅞	6 11/16-6 13/16
Three months	16 3/16-16 5/16	16¼-16⅛	18⅝-19	12⅞ 13	11⅛ 11¼	11 5/16-11 7/16	17⅞ 18⅛	22⅞-24	19⅞-21⅝	7 3/16-7 5/16
Six months	16 5/16-16 7/16	16½-16¾	18⅝-19	12 3/16-12 5/16	11 5/16-11 7/16	11 9/16 11 11/16	18⅞-19⅛	23½-24½	19½-20¼	7 5/16-7 7/16
One Year	16¼ 16⅜	16⅝-16⅞	18⅝-19	12⅛-12⅜	10 9/16-10 11/16	11 9/16-11 11/16	18¾-19¼	23¼-24¼	18-18¾	7 13/16-8 1/16

SDR linked deposits: one month 13 13/16-14 3/16 per cent; three months 14 5/16-14 11/16 per cent; six months 14 5/16-14 11/16 per cent; one year 14 5/16-14 11/16 per cent.

ECU linked deposits: one month 14 13/16-15 3/16 per cent; three months 15⅛-15½ per cent; six months 15¼-15⅝ per cent; one year 15¼-15⅝ per cent.

Asian $ (closing rates in Singapore): one month 15 15/16-16 1/16 per cent; three months 16 7/16-16 9/16 per cent; six months 16 11/16-16 13/16 per cent; one year 16 9/16-16 11/16 per cent. Long-term Eurodollar two years 16⅝-16⅞ per cent; three years 16¾ per cent; four years 16⅝-17 per cent; five years 16½-17 per cent nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one month 15.40-15.50 per cent; three months 15.55-15.65 per cent; six months 16.10-16.20 per cent; one year 16.05-16.15 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 23)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 5/16	offer 16 7/16	bid 16 9/16	offer 16 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Oct. 23 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	15¼-85	16⅝	—	—	15½	14-15¼	—	—	—
2 days notice	—	—	15¾	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15½-15⅞	15¾	—	15⅞	16¼	14½-15¼	—	—	—
One month	16⅝-16⅛	16⅛-16⅜	15⅞-16¼	16½-16⅛	16⅜	16½	15¼	16⅛-15 11/16	15⅞-15 15/16	16½
Two months	16⅝-16⅜	16⅜ 16⅝	—	16¾-16½	16⅝	—	15⅜	15⅞	16 1/16-16 3/16	16⅝
Three months	16¾-16⅛	16⅝-16¾	16¼-16½	16⅞-16½	16¾	—	15⅛	16	16 1/16	16⅝
Six months	16¾-16⅝	16⅛-16 1/16	16-16¼	15⅞-15½	16¾	—	—	—	15½	16⅛
Nine months	16 9/16-16⅜	16⅜-16⅝	—	16¾-16⅜	16⅝	—	—	—	—	—
One year	16⅜-16¼	16¼-16 7/16	16	16½-16⅛	16⅝	—	—	—	—	—
Two years	—	—	16	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 16 per cent; four years 16 per cent; five years 16 per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⅞-15 15/16 per cent; four-month trade bills 16½ per cent.

Approximate selling rate for one-month Treasury bills 15⅝-15 9/16 per cent; two months 15⅝ per cent; three months 15⅞ per cent. Approximate selling rate for one month bank bills 15⅝-15 13/16 per cent; two months 15 25/32-15 13/16 per cent; and three months 15 15/16 per cent; one month trade bills 16¼ per cent; two months 16 5/16 per cent; three months 16⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14½ per cent from October 1 1981. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16½ per cent. Treasury Bills: Average tender rate of discount 15.9537 per cent.

CURRENCY MOVEMENTS

Oct. 23	Bank of England Index	Morgan Guaranty Changes%
Sterling	87.9	−35.4
U.S. dollar	109.3	+3.1
Canadian dollar	87.8	−17.2
Austrian schilling	118.0	+25.0
Belgian franc	106.9	+9.7
Danish kroner	89.0	−8.3
Deutsche mark	122.9	+44.3
Swiss franc	146.6	+97.6
Guilder	114.0	+19.1
French franc	82.0	−13.5
Lira	56.3	−57.1
Yen	137.3	*+31.9

*RATE FOR OCT 22 WAS +31.9

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

OTHER CURRENCIES

Oct. 23	£	$		£ Note Rates
Argentina Peso	11,098 11,118†	6097-6117†	Austria	28.90-29.20
Australia Dollar	1.6005-1.6025	0.8774-0.8778	Belgium	76.25-77.25
Brazil Cruzeiro	204.60-205.60	112.16-112.72	Denmark	13.25-13.40
Finland Markka	8.1133-8.1237	4.4530-4.4550	France	10.34-10.49
Greek Drachma	101.886-105.005	57.25-57.45	Germany	4.12½-4.17½
Hong Kong Dollar	10.90½-10.92½	5.9825-5.9925	Italy	2180-2330
Iran Rial	146.00*	80.00*	Japan	425-430
Kuwait Dinar (KD)	0.513-0.519	0.2828-0.2851	Netherlands	4.54¾-4.59¾
Luxembourg Fr.	69.30-69.40	38.07-38.09	Norway	10.86-10.98
Malaysia Dollar	4.17½-4.18½	2.2905-2.2935	Portugal	116.75-129
New Zealand Dlr.	2.2265-2.2285	1.2203-1.2217	Spain	174.45-185.60
Saudi Arab. Riyal	6.21-6.27	3.4190-3.4210	Sweden	10.15-10.25
Singapore Dollar	3.82-3.83	2.0955-2.0985	Switzerland	3.43¼-3.47¼
Sth. African Rand	1.7600-1.7615	0.9662-0.9671	United States	1.80½-1.82½
U.A.E. Dirham	6.67-6.73	3.6710-3.6740	Yugoslavia	78-82

† Rate given for Argentina is the commercial rate. The financial rate for sterling 15,000-15,020 and for the dollar 8,200-8,250. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	40.8330	+0.19	+0.02	±1.5368
Danish Krone	7.91117	7.83601	−0.95	−1.12	±1.6412
German D-Mark	2.40989	2.43948	+1.23	+1.06	±1.1077
French Franc	6.17443	6.12200	−0.85	−1.02	±1.3733
Dutch Guilder	2.66382	2.69237	+1.07	+0.90	±1.5063
Irish Punt	0.684452	0.689128	+0.68	+0.51	±1.6686
Italian Lira	1300.67	1292.67	−0.60	−0.60	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for October 23 .... 0.568302

U.K. CONVERTIBLE STOCKS 24/10/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.60	247.00	333.3	80-97	4.9	2.7	4.4	− 5 to 11	16.4	85.0	29.0	+24.6
Hanson Trust 6½pc Cv. 88-93	3.02	137.50	57.1	76-82	4.7	1.0	−11.9	−12 to 4	4.2	0.0	− 2.7	+ 9.1
Slough Estates 10pc Cv. 87-90	5.31	217.50	187.5	78-84	4.7		0.9	− 8 to 5	18.9	21.9	1.4	+ 0.5
Slough Estates 8pc Cv. 91-94	24.88	100.00	78.0	80-91	8.2	8.3	11.5	6 to 27	27.6	46.9	21.5	+10.0

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Undertone still uneasy but equities close above worst
Index down 5.4 at 461.9 for Account fall of 36.3

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct 12	Oct 22	Oct 23	Nov 2
Oct 26	Nov 5	Nov 6	Nov 16
Nov 9	Nov 19	Nov 20	Nov 30

* " New time " dealings may take place from 9.30 am two business days earlier.

Further publicity about the upward pressures on domestic and U.S. interest rates combined with adverse forecasts on market prospects from financial commentators put leading shares under more strain yesterday. The final session of the London Stock Exchange trading Account resulted in a fall of 5.4 in the FT Industrial Ordinary share index which, at 461.9, closed only 1.5 down on the week after the previous week's drop of nearly 35 points. Gilt-edged started lower and recovered to show small gains on balance, but the FT Government Securities index still ended 0.05 easier at a new five-year low of 60.39.

The view that the awaited economic recovery will be further delayed by the monetary squeeze was another reason for dealers to defensively lower values from the outset, but the manoeuvre failed to deter early selling. Losses soon ranged to double figures across a fairly broad front and for a while the tone was extremely nervous. Bear-closing halted the slide, however, and later caused some institutional inquiries for cheap stock. Oils were beneficiaries of the latter support in the belief that this sector, more than many others, offered some protection to investors.

The gradual recovery in leading equities was well illustrated by the hourly movements in the FT 30-share index. Down 11.5 at 10.00 am, this measure picked up ground at each subsequent calculation. Despite renewed weakness on Wall Street at yesterday's opening, the improvement continued after the official 3.30 pm close when business is permitted without penalty for the trading Account beginning on Monday. **Thorn EMI** were excluded from the rally and settled 20 down at 393p following talk that a broking house had downgraded its profits forecast for the group.

British Funds also began easier and the market had to absorb nervous offerings before rallying as professional operators closed their short positions ahead of the weekend. Business remained thin but losses of ⅛ were frequent at both ends of the market prior to being replaced by scattered gains of ⅛. Low-coupon shorts were exceptions and often finished with falls ranging to ⅜.

Activity in Traded options continued to contract and only 1,209 deals were completed—716 calls and 493 puts. The week's daily average rose to 1,940, helped by the active business on Wednesday's expiry of the October series. **RTZ**, a quiet series of late, returned to favour and recorded 107 calls and 31 puts, while **British Petroleum** attracted 113 puts.

In an otherwise dull banking sector, **Royal Bank of Scotland** rose 9 for a gain on the week of 16 at 159p on hopes that the Monopolies Commission will allow the controversial bids from **Hong Kong and Shanghai** and **Standard Chartered** to proceed: HK closed 3 off at 124p and SC 13 down at 595p. Elsewhere, **Clive Discount** fell 4 to 26p, after 25p, on the interim dividend omission and first-half deficit. Sympathetic falls of 10 were sustained by **Cater Ryder**, 280p, and **Seccombe Marshall and Campion**, 210p. **NatWest**, 6 lower at 356p, led the retreat of the major clearers.

The downgrading of brokers' forecasts continued to unsettle **Distillers** which reacted to a 1981 low of 160p; a good two-way business developed at this level, however, and the close was only 3 down on balance at 163p. Other Wines and Spirits held reasonably steady. **Highland** stayed at 77p in front of Monday's preliminary results, but **H. P. Bulmer**, a firm market of late, encountered profit-taking and shed 8 to 273p.

Marked defensively lower at the outset on thoughts that current high interest rates would prolong the recession in the sector, Buildings staged a partial rally on the appearance of a few cheap buyers and losses in the leaders were reduced to single figures. **Blue Circle** ended 6 off at 444p, after 438p, while **Redland** finished 8 down at 144p, after touching a 1981 low of 143p. **Tarmac** dipped to 308p before closing just 4 cheaper on balance at 316p. Elsewhere, **UBM** shed 2 more to a low for the year of 47p; the interim results are due next Friday. **John Mowlem** gave up 6 to 155p on lack of support. **Allied Plant** and **Leaderflush** relinquished a penny apiece to 21p and 29p respectively following trading statements.

Down to 248p initially, **ICI** attracted sporadic support at the lower level and the close was a net 2 dearer at 256p; the third-quarter figures are due next Thursday.

Stores finished a relatively active Account on a subdued note. Once again, interest was mainly centred on secondary issues. **E. Upton** featured with a fall of 6 to 32p, after 28p, following the first-half deficit and omitted interim dividend. **Time Products** announced a sharp drop in interim profits and shed a penny to 36p, while **Allebone** revealed an increased mid-term loss and closed 2 cheaper at 22p. End-Account profit-taking left recent speculative favourites with a dull appearance; **Polly Peck** shed 10 to 320p, after 315p, still up 30 on the week, while **Kean and Scott** dipped 4 to 28p. The presence of a couple of sellers in a restricted market left **Fortnum and Mason** 60 lower at 760p. Dealings in **Hiltons Footwear** were suspended at 144p at the company's request pending an announcement. The leaders opened easier but most had recovered losses by the close with the notable exception of **Mothercare** which gave up 6 for a fall of 24 to 132p since the disappointing interim results were announced on Monday.

An early mark-down in **Thorn EMI** was soon followed by end-Account selling on reports that a leading broker has substantially downgraded an earlier profits forecast and the close was 20 down at the day's lowest of 393p. Other Electrical leaders managed to rally from earlier lower levels with the help of bear closing. **GEC** finished only 8 down at 670p, after 660p, while **Racal** shed 7 to 378p, after 373p. **Plessey** were particularly resilient, rallying from 286p to close only a net penny cheaper at 293p. Elsewhere, **Standard Telephones and Cables** reacted 13 afresh to 385p. **Highland** were marked down to a 1981 low of 19p before ending 2 down on balance at 22p following the trading deficit and halved final dividend.

Clayton became a prominent dull counter in a generally friendless Engineering sector, dropping 15 to 73p on the interim dividend cut and first-half loss. With sentiment still unsettled by the possible closure of BL, **GKN** lost 6 afresh to 140p. **Hawker**, reflecting profit-taking in the wake of the good interim figures, lost 4 to 280p, after 278p. Firm of late on news of a £330m Mexican steel platemill order, **Davy Corporation** relinquished 7 to 156p. Recent speculative favourite **G. M. Firth** eased 9 to 148p, but **Mining Supplies** added 6 to 108p on revived speculative support.

Weak at first, the majority of leading Foods staged a useful rally to close at, or very close, to overnight levels. **J. Sainsbury** settled only 5 cheaper on balance at 405p, after 395p. Elsewhere, **William Low** shed 4 for a two-day fall of 8 to 148p, after 144p, on disappointment with the annual results.

Hanson Trust fall

An early sharp mark-down in Miscellaneous Industrials followed by sporadic offerings left closing falls ranging to 10. **Reckitt and Colman** declined that much to 248p and **Pilkington** cheapened 7 to 255p. Elsewhere, **Hanson Trust** fell 11 to 261p on fears that the company may need to increase its offer for **Berec**, a penny lower at 115p. Comment on the group's major rationalisation plans caused **Hoover A**, at 86p, to lose all of the previous day's speculative gain of 6 and the **Ordinary**, at 93p, to give back that day's rise of 7. Among toy issues, **J. W. Spear** lost 3 to 80p, after 78p, on disappointing interim results, while **Mettoy** were marked down to a 1981 low of 11 on the £1.6m first-half deficit before rallying to close unaltered at 12p. **Granada A** met profit-taking and dipped 10 to 190p and **Charles Hill of Bristol** closed a similar amount lower at 115p. Against the trend, **Elliott Group of Peterborough** hardened a penny to 43p in sympathy with the gain of 7 to 65p in bidder **Jenks and Cattell**.

Saga Holidays, a rising market recently on good results and a scrip issue, eased 3 but retained a gain on the week of 42 at 385p. After Thursday's drop of 27 following adverse Press comment on the company's casino activities, **Pleasurama** reacted afresh to 232p before rallying late to close unchanged on balance at 238p.

The breakdown of talks aimed at averting the threatened strike at BL, due to begin on Monday week, prompted renewed weakness in Motor Component suppliers. **Smiths Industries** were particularly dull, falling 13 to 287p, while **Lucas**, preliminary results due November 9, were additionally unsettled by the prospect of a prolonged stoppage at its aerospace division in Birmingham and shed 4 for a two-day fall of 11 at 186p. **Automotive Products**, 42p, and **A.E.**, 34½p, gave up a couple of pence apiece. Aerospace issues also trended lower, **Dowty** declining 6 to 134p and **Flight Refuelling** 10 to 280p.

Press comment on the outlook for short-term interest rates caused a further deterioration in the values of Property shares, but selective support at the lower levels left the leaders only marginally easier on balance. **Land Securities** closed just a penny cheaper on balance at 281p, after 275p, as did **MEPC**, which reacted to 195p before finishing at 201p. Elsewhere, **Thames Investments** remained 6 down at 150p despite the good annual results.

Oils dip and rally

Ahead of next Thursday's OPEC meeting at which the price of crude oil is expected to be stabilised, Oils opened sharply lower in line with the general trend, but staged a useful rally on bear closing and settled with modest improvements on balance. **British Petroleum**, marked down to 286p initially, picked up to close a net 4 up at 286p and **Shell** ended a like amount to the good at 356p, after 346p. **Lasmo** finished 10 higher at 460p, after 465p. Elsewhere, **Candecca** put on 13 to 181p on revived talk of a broker's bullish circular, while **KCA International** gained 8 to 135p on speculative demand. **Atlantic Resources**, a volatile market of late, attracted fresh support and, in a thin mraket, firmed 15 to 265p.

Financial Trusts were irregular. **Aitken Hume** eased 3 to 170p despite the increased interim profits and dividend. **Mercantile House** shed 10 to 370p, but fellow money broker **R. P. Martin** remained firm and closed 5 better at 270p.

Golds down

Another day of minimal activity in the bullion market—gold was finally $1.5 easier at $375 an ounce—led to a quiet day in mining markets.

South African Golds were marked down at the outset and continued to drift lower throughout the session on lack of interest.

The Gold Mines index gave up 10.7 to 375.0 for a week's fall of 16.1.

The dividend declarations from the Anglo American Corporation mines in the Orange Free State and the September quarterly profits from the Anglo gold producers had little effect on the results from the other South African [illegible] released earlier in the week. [illegible]

South African Golds were similarly weak, with losses in excess of a point common to "Amgold," £48½ and GFSA, £43¼. **Anglo American Corporation** closed 18 cheaper at 715p and **De Beers** 7 off at 346p.

The unsettled state of the UK equities continued to affect sentiment in London-based mining financials. **RTZ** gave up 13 for a two-day fall of 23 to 450p, while **Gold Fields** dropped 8 to 480p. **Charter** eased 3 to 220p.

Australians gave ground in quiet trading. In the leaders, **Pancontinental** fell 10 to a 1981 low of 126p. **CRA** lost 4 to 194p and **MIM Holdings** 6 to 202p; the last-named have fallen over 22 during the week following Tuesday's announcement of a first quarter loss of A$1.14m compared with a profit of A$3.36m in the same period last year.

Peko-Wallsend, co-owners of the Ranger uranium mine, lost 10 to 370p.

North Kalgurli were an exception to the general trend rising 8 to 81p on news that **Metals Exploration** intends to increase its stake in the company to 20 per cent.

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (2)

INDUSTRIALS (1)
Dyson (J. & J.) A

INSURANCE (1)
Howden Warrants

NEW LOWS (90)

INT. BK. & O'SEAS. GVT. STLG. IST. (3)
Finland 14pc Ln. '86; Int. Bank 13¼pc Ln. 1986; Sweden 13½pc 1986

CORPORATION LOANS (7)
Bath 11¼pc 1985; Herts 6¾pc '85-87; Birmingham 12½pc 1977-82; LCC 5½pc 1982-84; Do 6¾pc 1988-90; London Con. 9¼pc 1984-85; Sunderland 12¼pc 1984-85

LOANS (1)
FFI 14pc 1983

FOREIGN BONDS (1)
Ireland 9¾pc '96-96

BANKS (1)
Smith St. Aubyn

BEERS (2)
Bass; Distillers

BUILDINGS (3)
May & Hassell; UBM Group; Redland

STORES (9)
Beattie (J.) A; Mothercare; Cantors A; Stanley (A. G.); Fine Art Dvlpts.; Time Products; Goldberg (A.); Woolworth; Great Universal

ELECTRICALS (7)
Chloride; Highland Elec.; Highland Elec.; Newmark (Louis); Mainline Elect.; Norsk Data; Do. 12pc Ptg. Pf.; Philips Fin. 5¾pc

ENGINEERING (8)
Babcock Intl.; Garton; British Steam; I.M.I.; Elliott (B.); Porter Chadburn; Folkes Hefo N-V; Ransomes Sims

FOODS (3)
Argyll Foods; Chambers & Fargus; British Vending

INDUSTRIALS (14)
Aaronson Bros.; Ozalid Fin. Cr.; Crosby House; Pentos; Gomme Hldgs.; Rank Org; Hepworth Ceramic; Redfearn Glass; Manch. Ship Canal; Sears Hldgs.; Metal Box; Spear (J. W.); Mettoy; UKO Intl.

INSURANCE (1)
Commercial Union

LEISURE (1)
Barr & WAT A

MOTORS (1)
AE

PAPER (1)
DRG

PROPERTY (4)
Bilton (Percy); Swire Props.; Daon Dev. Corp.; Warner Est.

TEXTILES (1)
Shaw Carpets

TRUSTS (15)
Anglo-Scottish; Law Debenture; Border & Southern; London & Holyrood; British Invests.; M & G Dual Inc.; Claverhouse; Meldrum Inv.; English & Intl.; North British Can.; Globe Inv.; London Merchant; Hill (P.); Westpool; Industrial & General

MINES (7)
Afex Corp.; Pacific Copper; Coronation; Pancontinental; Falcon; York Resources; Jimberlana

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	18	18	55	139	190	128
Corpns. Dom. & Foreign Bonds	—	33	37	19	106	225
Industrials	68	591	710	1,032	1,407	4,406
Financial and Props.	11	309	167	427	688	1,420
Oils	14	45	44	133	161	221
Plantations	—	11	12	18	31	66
Mines	11	98	58	163	280	392
Others	25	77	83	240	261	421
Totals	147	1,182	1,186	2,171	3,124	7,277

LEADERS AND LAGGARDS

Percentage changes since December 31, 1980, based on Thursday, October 22, 1981.

Insurance Brokers	+26.59	Newspapers, Publishing	+ 2.98
Tobaccos	+23.01	Consumer Group	+ 2.93
Contracting, Construction	+21.07	Banks	+ 1.51
Health and H'sehold Products	+18.05	Mechanical Engineering	+ 1.28
Food Manufacturing	+14.10	Financial Group	+ 1.20
Other Industrial Materials	+13.69	All-Share Index	− 2.70
Leisure	+12.39	500 Share Index	− 3.64
Textiles	+11.98	Investment Trusts	− 3.90
Building Materials	+ 9.36	Gold Mines Index	− 5.35
Electricals	+ 9.16	Brewers and Distillers	− 5.49
Engineering Contractors	+ 8.80	Office Equipment	− 5.57
Metals and Metal Forming	+ 8.50	Merchant Banks	− 5.93
Capital Goods	+ 8.31	Motors	− 6.22
Hire Purchase	+ 7.30	Property	− 6.68
Packaging and Paper	+ 6.57	Other Groups	− 7.63
Insurance (Composite)	+ 6.02	Overseas Traders	− 9.36
Insurance (Life)	+ 5.64	Chemicals	−11.92
Food Retailing	+ 5.22	Stores	−12.59
Mining Finance	+ 5.11	Shipping and Transport	−15.83
Other Consumer	+ 3.95	Discount Houses	−16.88
Industrial Group	+ 3.35	Oils	−26.97

FINANCIAL TIMES STOCK INDICES

[illegible]

HIGHS AND LOWS / S.E. ACTIVITY

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri., Oct. 23, 1981	Thurs. Oct. 22	Wed. Oct. 21	Tues. Oct. 20	Mon. Oct. 19	Year ago (approx.)	Highs and Lows Index
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

[illegible]

OFFSHORE & OVERSEAS-contd.

Capital International Fund S.A.
43 Boulevard Royal, Luxembourg
Capital Int. Fund | US$25.75 | — | —

Central Assets Management Ltd.
Channel Hse., St. Helier, Jersey. 0534-73673
Central Assets | £200.83 | 200.88 | +0.04 | —

Charterhouse Japhet
1 Paternoster Row, EC4 01-248 3999
Emperor Fund* | $7.26 | 7.62 | — | —
Hispano | $43.09 | 45.29 | — | 6.34
*Prices at Sept. 30. Next sub. day Nov. 1.

Chawton Commodities (Isle of Man) Ltd.
29, Athol Street, Douglas, I.o.M. 0624 21724
Normandy Metal Trust | 1.3770 | 1.4494 | — | 4.00
Normandy Com. Tst. | 1.3888 | 1.4619 | — | 075.4

For Clive Investments (Jersey) [illegible]

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.
Sterling Managed Fd. | £113.50 | — | —
Dollar Magd. Fnd. | US$100.75 | — | —

Granville Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Granville Inv. Tst. | £6.48 | 6.80 | — | 5.48
Next dealing day Nov. 16

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.
Intl. Fund | £21.15 | 21.73 | — | 11.20
Prices at Oct. 15. Next dealing Oct. 29.

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong
Far East Oct. 21 | HK$23.51 | 25.22 | — | —
Japan Fund Oct. 26 | US$9.48 | 10.17 | −0.59 | —

Hambros Fd. Mgrs. (C.I.) Ltd.
P.O. Box 86, Guernsey. 0481-26521
†Capital Reserve Fd. | £13.72 | 13.73 | — | 0.24
C.I. Fund | 189.3 | 201.8 | — | 3.60

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)
Lloyds Int. Growth | SF609.50 | 640.00 | — | 0.70
Lloyds Int. Income | SF263.00 | 273.00 | — | 6.60

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588
Atlantic Ex. Oct. 20 | US$5.96 | 6.35 | — | —
Austral. Ex. Oct. 21 | US$5.14 | 5.42 | — | —
Gold Ex. Oct. 21 | US$36.42 | 38.75 | — | 9.54
Accum. Units | US$51.24 | 54.56 | — | 9.64
Island | 151.3 | 158.9 | −4.1 | 4.85
(Accum Units) | 242.2 | 254.3 | −6.8 | 4.85

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000
Bda. Intl. Bd. Fd. Cap. | US$12.06 | — | —
Bda. Intl. Bd. Fd. Inc. | US$10.23 | — | 12.09
Prices on Oct. 19. Next dealing Oct. 23.

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281
Mid. Drayton Gilt | 82.1 | 82.5 | −0.71 | 14.55

Schroder Life Group
Enterprise House, Portsmouth. 0705 27733
International Funds
£Equity | 133.1 | 141.5 | +1.6 | —

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey. 0534 27561

J. Henry Schroder Wagg & Co. Ltd.
120, Cheapside, EC2

[illegible]

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	247.1	260.1	.....	4.16

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Property Fd. Sept. 30	154.35		.....	6.74
Wider Fund Sept. 30	234.35		.....	5.45
Narrower Fd. Sept. 30	89.25		.....	14.74

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American	73.6	78.8	-0.5	2.35
(Accum. Units)	79.6	85.2	-0.6	2.35
American Recovery	79.5	85.1	-1.1	1.51
(Accum. Units)	82.2	87.9	-1.1	1.51
Australasian	87.4	93.5	-1.0	1.57
(Accum. Units)	91.9	98.3	-1.0	1.57
Commodity	123.6	132.2	-2.2	3.40
(Accum. Units)	146.7	157.0	-2.6	3.40
Compound Growth	168.8	183.1	-3.6	3.70
Conversion Growth	115.2	121.7	-1.9	2.87
Conversion Income	71.1	76.7	-1.0	9.50
Dividend	122.0	130.5	-2.6	10.36
(Accum. Units)	279.1	298.6	-5.8	10.36
European	58.7	62.8	-1.2	4.27
(Accum. Units)	65.3	69.9	-1.3	4.27
Extra Yield	75.5	81.0	-1.4	10.54
(Accum. Units)	127.1	137.0	-2.5	10.54
Far Eastern	106.3	114.8	-0.1	1.61
(Accum. Units)	122.3	132.1	-0.2	1.61
Fund of Inv. Tsts.	85.5	93.2	-1.4	5.16
(Accum. Units)	116.8	127.3	-1.8	5.16
General	215.3	231.6	-4.4	6.56
(Accum. Units)	380.2	408.7	-8.1	6.56
Gilt Income	42.0	44.1	-0.6	13.33
(Accum. Units)	44.6	46.8	-0.6	13.33
High Income	102.9	110.1	-2.0	10.00
(Accum. Units)	212.2	227.0	-4.2	10.00
Japan	178.3	190.8	+0.1	0.82
(Accum. Units)	187.6	200.7	.....	0.82
Magnum	312.2	334.1	-7.2	5.60
(Accum. Units)	439.6	470.4	-10.1	5.60
Midland	153.4	164.1	-2.9	9.36
(Accum. Units)	302.8	324.0	-5.8	9.36
Recovery	111.8	120.7	-2.2	5.31
(Accum. Units)	126.9	137.1	-2.5	5.31
Second General	235.5	253.2	-4.2	5.73
(Accum. Units)	399.2	429.1	-7.1	5.73
Smaller Companies	251.0	268.6	-3.7	4.71
(Accum. Units)	348.4	372.8	-5.2	4.71

Specialised Funds

Schroder Unit Trust Managers Ltd.
48, St. Martins Lane, WC2. Dealings 0705 27733

Capital	170.1	182.9	-2.3	2.61
(Accum. Units)	220.2	236.7	-3.1	2.61
Income Fnd.	212.6	228.6	-3.9	8.46
(Accum. Units)	375.3	403.5	-6.9	8.46
Gen.	126.2	135.6	-2.2	4.48
(Accum. Units)	173.4	186.4	-3.1	4.48
Europe	22.5	24.1	+0.1	2.90
(Accum. Units)	27.2	29.2	+0.1	2.90
Smaller Co.'s	145.6	156.5	-0.4	2.66
American	56.6	60.8	-0.5	0.67
(Accum. Units)	56.6	60.8	-0.5	0.67
Tokyo	53.9	57.9	+0.6	0.19
(Accum. Units)	53.9	57.9	+0.6	0.19
Gilt & Fixed	41.5	43.6	-0.2	13.33
(Accum. Units)	43.7	45.9	-0.2	13.35
Australian	50.9	55.3	-0.1	3.73
(Accum. Units)	51.2	55.6	-0.1	3.73
Singapore & Malay	47.1	50.5	+0.5	1.23
(Accum. Units)	47.1	50.5	+0.5	1.23
*Ph.&C. Fd. Oct. 20	230.2	247.5	-12.0	5.48
*Recovery Oct. 13	287.8	309.4	.....	4.433
*Spec. Ex. Oct. 13	448.7	482.4	.....	2.38
Euro Exempt. Oct. 22	110.3	118.5	.....	2.76

*For tax exempt funds only.

Scottish Amicable Inv. Mngrs. Ltd.
150 St. Vincent St., Glasgow 041-221 8844

Equity Trust Accum.	92.8	100.2	-2.1	6.05

Scottish Equitable Fund Mgrs. Ltd.
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	59.3	63.1	.....	5.44
Accum Units	78.3	83.3	.....	5.44

Dealing day Wednesday

For Sebag see Carr, Sebag Unit Trust Managers.

For Security Selection see McAnally Fund Management.

Scottish Widows' Fund Management
P.O. Box 902, Edinburgh EH16 5BU 031-655 6000

Pegasus Tst. Oct. 23	82.1	88.2	-1.1	—

SIMCO Money Funds
60, Cannon Street, EC4N 6AE 01-236 1425

SIMCO Call Fund†	100.0	—	.....	15.47
SIMCO 7-Day Fund†	100.0	—	.....	15.42
SIMCO $ Fd. "7 day"†	US$100.00	—	.....	14.08

†Unauthorised—Cash Deposit Funds.

Stewart Unit Tst. Managers Ltd.(a)
45 Charlotte Sq., Edinburgh. 031-226 3271

INSURANCE & PROPERTY

OFFSHORE & OVERSEAS

Continued on previous page

FT SHARE INFORMATION SERVICE

LOANS

1981 High	1981 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		Public Board and Ind.				
64	57¼	Agric. Mt. 5pc '59-89	57¾	–¼	8.97	14.66
29½	23¾	Met. Wtr. 3pc 'B'	24¼	–¼	12.64	14.87
114	97	U.S.M.C. 9pc 1982	100	......	9.33	—
97¼	91	Do. without Warnts.	95	......	9.85	—
		Financial				
101½	94¼	FFI 14pc '83	94¼	–¼	14.86	17.24
93½	88½	FFI(UK Fn)5½pcDb. '80-2	91½	......	6.01	16.52
83½	77	Do. 6¼pcDb. '81-84	80½	......	8.03	15.56
93	84½	Do. 10¾pc Uns.Ln. '86	85½	......	12.76	16.50
92	80	Do. 11pc Uns.Ln. '88	82	......	13.99	15.70
92	80	Do. 11¾pc Uns.Ln. '90	81	......	15.20	17.80
94½	78½	Do. 12¾pc Un. Ln. 1992	80	......	15.86	16.98
64½	54½	Do. 7¼pcADeb. '89-92	56	......	13.55	16.47
62	51½	Do. 7¼pcADeb. '91-94	52	......	13.94	16.44
72½	59½	Do. 9pc 'A' '91-94	59½	......	15.33	16.93
70	56½	Do. 8¾pcLn. '92-97	58½	......	15.58	16.73
		Building Societies				
100⅝	98½	N'wide 14¾pcBd11.8.82	98½	......	14.97	—

FOREIGN BONDS & RAILS

1981 High	1981 Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
95	58	Antofagasta Rly.	72	......	—	—
55	53½	Do. 5pc Pref.	54	......	—	—
98	98	Chilean Mixed	98	......	3	3.1

BRITISH FUNDS

1981 High	1981 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
98⅜	95½	Treas. 8¼pc '80-82‡‡	98½	–½	8.67	16.30
96¾	91⅝	Treasury 3pc '82‡‡	96⅝	–⅛	3.11	15.24
107	99½	Treasury 14pc '82‡‡	99½	......	14.07	15.28
99½	98½	Treas. Variable '82§§	99¼	......	15.97	16.94
96⅞	93½	Treasury 8¼pc '82	95	......	8.68	16.01
96⅞	93½	Exch. 9¼pc 1982	94⅝	......	9.78	15.77
95¼	92⅝	Exch. 8¾pc 1983	93⅝	......	9.34	14.63
92¼	84¾	Exch. 3pc 1983	89	–½	3.37	12.20
99⅜	95	Treasury 12pc 1983‡‡	95¾	+⅛	12.53	15.49
99½	96¾	Treas. Variable '83§§	99¼xd	+⅛	13.46	16.36
91⅝	90⅛	Treasury 9¾pc '83	91	+⅛	10.16	15.30
101⅞	95¼	Exch. 13½pc '83	96xd	+⅛	14.06	15.89
94⅛	89¼	Exch. 10pc 1983	89⅝	+⅛	11.15	15.88
88	83½	Funding 5½pc '82-84‡‡	83⅝	–¼	6.57	14.31

Five to Fifteen Years

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1981 High	1981 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
141	115	S. Rhod. 2½pc Non-Ass.	134	......	—	—
61	43	Do. 3½pc 80-85 Assd.	54	......	6.52	21.20
43	26	Do. 4½pc 87-92 Assd.	34	......	13.55	20.20
395	323	Zimbabwe Ann (£100pa)	325	......	—	24.47

AMERICANS

CANADIANS

1981 High	1981 Low	Stock	Price	+ or –	Div. Gross	Cvr	Y'ld Gr's
17½	10⅛	Rio Algom	16⅛	+⅛	$1.50	—	4.1
13	10⅞	Royal Bk. Can. $1	11¾	–⅜	$1.96	—	7.3
32⅞	23¾	Seagram Co. C$1	30⅞	......	US$1.40	—	2.0
14⅛	11¼	Tor. Dom. Bk. $1	13½	–⅛	$1.80	—	5.9
11	750p	Trans Can. Pipe	820p	–21	$1.16	—	6.3

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
45	32	Acmex 50c	45	......	Q2.5c	—	3.5
41	14	ACM 20c	23	−2	—	—	—
21	9	Argosy Gold NL 25c	11	......	—	—	—
229	134	Bond Corp.	138	−4	Q10c	2.3	4.5
112	70	Bougainville I Kina	73	−1	‡Q25.4c	1.0	‡
302	194	CRA 50c	194	−4	Q19c	1.7	6.0
25	9	Canada Northwest	9½	−½	—	—	—
35	13	Carr Boyd 20c	14	−1	—	—	—
415	43	Central Pacific	52	−1	—	—	—
35	9	Cons. Gold Min. N.L. 50c	9	......	—	—	—
47	13	Cultus Pacific N.L.	16	−1	—	—	—
68	22	Eagle Corp. 10c	30	......	—	—	—
40	23	Endeavour 20c	23	−1	—	—	—
560	310	G. M. Kalgoorlie 25c	445	−10	Q32½c	φ	4.5
25	8	Great Eastern	8	......	—	—	—
185	80	Greenbushes Tin 50c	85	−5	Q6c	1.9	4.3
275	138	Hampton Areas 10p	140	......	2.5	3.1	2.6
168	36	Haoma Gold N.L.	38	......	—	—	—
85	20	Intl. Mining	20	−2	—	—	—
118	26	Jimberlana (50cFP)	26	−4	—	—	—
15	10	Kalbara Min 20c	10	−1	—	—	—
245	135	Kitchener NL 25c	155	−5	—	—	—
105	16	Leichardt Expln.	18	−2	—	—	—
430	275	Meekatharra	380	−10	—	—	—
70	40	Metals Ex. 50c	45	+1	¶Q3c	φ	4.0
38	20	Metramar Mins. 20cts	22	......	—	—	—
20	10	Mid East Mins. NL	10½	+½	—	—	—
290	190	M.I.M. Hldgs. 50c	202	−6	Q15c	φ	4.7
21	7½	Minefields Expl. 25c	8	......	—	—	—
20	13	Newmetal 20c	16	......	—	—	—
69	40	Nickelore N.L.	46	......	—	—	—
204	149	North B. Hill 50c	158	−3	Q18c	φ	7.1
84	50	Nth. Kalgurli	81	+8	—	—	—
200	94	Nth. Mining Corp.	175	......	φ—	—	—
122	24	N. West Mining N.L.	25	−1	φ—	—	—
150	106	Oakbridge 50c	116	−1	Q6½c	φ	3.5
185	90	Otter N. L.	97	−3	—	—	—
188	108	Pacific Copper	108	−6	—	—	—
*423	126	Pancont'l 25c	126	−10	—	—	—
88	42	Paringa M&Ex. 5p	69	−1	φ—	—	—
525	365	Peko-Wallsend 50c	370	−10	Q15c	—	2.5
43	16	Pelsart Res NL	24	−2	—	—	—
120	58	Seltrust A	64	......	—	—	—
157	18	Southern Pacific	25	......	—	—	—
100	40	Swan Resources 20c	50	......	—	—	—
316	75	Vultan Mins 20c	80	......	—	—	—
18½	8	West Coast 25c	9½	−1	—	—	—
130	90	Westn. Cont 50c	95	......	—	—	—
335	227	Westn. Mining 50c	267	−3	Q14c	1.6	3.2
27	14	Westmex	14	......	—	—	—
76	38	Whim Creek 20c	44	−2	—	—	—
101	25	York Resources	25	−1	—	—	—

Tins

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	8	Amal Nigeria 1p	8	......	‡6.0	—	—
300	210	Ayer Hitam $M1	225	+5	‡Q205c	1.0	‡
210	98	Geevor	160	......	—	—	—
11	8	Gold & Base 12½p	9	......	—	—	—
660	475	Gopeng Cons.	490	......	Z13.0	1.8	3.9
450	310	Hongkong	320	......	21.0	φ	9.4
160	110	Idris 10p	155#	......	‡9.0	0.8	‡
*29	10	Jantar 12½p	18	−1	t1.5	4.0	11.9
98	60	Kamunting $M0.50	60	......	Q27½c	0.8	0.0
665	363	Killinghall $M1	500	+10	hQ66.7c	φ	3.2
114	88	Malay Dredging 10c	92	+2	φhQ38c	0.9	10.1
68	30	Pahang	32	......	‡0.63	0.8	‡
118	90	Pengkalen 10p	112	+7	3.5	0.6	4.5
380	290	Petaling $M1	290	......	‡Q180c	1.4	‡
25	19	South Crofty 10p	24#	......	—	—	—
225	185	Sungei Besi $M1	195	......	Q310c	1.1	37.9
185	90	Supreme Corp. $M1	90	......	gQ15½c	φ	4.2
118	100	Tanjong 15p	100	......	3.5	3.7	5.0
90	60	Tongkah H. Tin $Sm	60	......	Q23%	0.4	7.7
410	220	Tronoh $M1	250	+5	‡Q110c	1.2	‡

Copper

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
410	165	Messina R0.50	350	......	†Q45c	4.7	7.4

Miscellaneous

1981 High	1981 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	35	Anglo-Dominion	36	+1	—	—	—
25½	12	Burma Mines 10p	12	......	0.75	0.9	8.9
330	85	Colby Res. Corp.	170	−10	—	—	—
330	200	Cons. Murch. 10c	290	......	†Q30c	1.8	5.9
10	6	††Explaura Gold	9½	......	—	—	—
98	47	††Hemerdon 10c	60	......	—	—	—
180	65	Highwood Res.	95	+5	—	—	—
505	260	Northgate C$1	305	−5	—	—	—
633	372	R.T.Z.	450	−13	16.0	2.3	5.1
£130½	£93½	Do. 9¾% Cn. Ln. 95-2000	£103½	−1½	Q9½%	—	f9.4
103	13	††SPO Minerals 10p	26	......	—	—	—
47	20	Sabina Inds. C$1	22	......	—	—	—
44	21	✱Southwest C. 10p	25	−1	—	—	—
585	465	Tara Expln. $1	565	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- ✱ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ✱ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✱ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ✱✱ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xC ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	41	......
Bertrams	8	......
Bdg'wtr. Est. 50p	400	−5
Craig & Rose £1	£13	......
Finlay Pkg. 5p	21½	......
Graig Ship. £1	£19	−1
Higsons Brew	63	......
Holt (Jos) 25p	505	......
I.O.M. Stm. £1	148	−2
Pearce (C. H.)	760	......
Peel Hldgs.	112	......
Sheff. Refrshmt	98	......
Sindall (Wm.)	190	......

IRISH

Stock	Price	+ or −
Conv 9% '80/82	£92⅝	+⅛
Nat. 9¾% 84/89	£68½	......
Fin. 13% 97/02	£73	......
Alliance Gas	80	+10
Arnott	212	......
Carroll (P.J.)	76	+1
Concrete Prods.	90	......
Heiton (Hldgs.)	24	......
Irish Ropes	40	−1
Jacob	65	......
T.M.G.	16	+1
Unidare	60	......

OPTIONS

3-month Call Rates

Stock	Rate	Stock	Rate	Stock	Rate
Industrials		House of Fraser	13	Utd. Drapery	6½
A. Brew	6½	I.C.I.	18	Vickers	15
BOC Intl.	11	"Imps"	5	Woolworths	4½
B.S.R.	7½	I.C.L.	5		
Babcock	9	Ladbroke	13	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	7
Beecham	17	Lex Service	9	Cap. Counties	10
Blue Circle	38	Lloyds Bank	28	Land Secs.	30
Boots	18	"Lofs"	3½	MEPC	20
Bowaters	19	London Brick	6½	Peachey	15
Brit. Aerospace	17	Lucas Inds.	18	Samuel Props.	13
B.A.T.	28	"Mams"	11	Town & City	2¼
Brown (J.)	6	Mrks. & Spncr	10		
Burton Ord.	12	Midland Bank	26	**Oils**	
Cadburys	8	N.E.I.	7	Brit. Petroleum	28
Courtaulds	5½	Nat. West. Bank	30	Burmah Oil	11
Debenhams	7	P & O Dfd.	9	Charterhall	6
Distillers	16	Plessey	26	KCA	12
Dunlop	6½	Racal Elect.	34	Premier	7
Eagle Star	25	R.H.M.	5	Shell	28
F.N.F.C.	4	Rank Org. Ord.	14	Tricentrol	25
Gen. Accident	30	Reed Intnl.	23	Ultramar	40
Gen. Electric	55	Sears	5		
Glaxo	32	Tesco	5	**Mines**	
Grand Met.	15	Thorn EMI	30	Charter Cons.	21
G.U.S. 'A'	36	Trust Houses	11	Cons. Gold	40
Guardian	30	Tube Invest.	12	Lonrho	7
G.K.N.	12	Turner & Newall	7½	Rio T. Zinc	45
Hawker Sidd	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

FINANCIAL TIMES

Saturday October 24 1981

MEN IN THE NEWS

A happy band of buyers

BY LYNTON McLAIN

IT IS CHARACTERISTIC of Mr Peter Thompson, the 53-year-old deputy chairman and chief executive of the National Freight Company that he hoped we would call this week's column "Men in the News" rather than "Man in the News," a title more than justified by the events which surrounded him this week.

This was when the Government accepted a bid by the management and 26,000 staff of NFC to buy their own company for £53.5m. National Freight is Britain's biggest road freight group and this is the first time a government in Britain has agreed to sell a State company to the company's employees.

It was Peter Thompson's idea that management and staff should dig in their pockets, club together and buy their own company. But he refuses to hog all the glory. His team of managers — especially James Watson, the finance director of NFC and Philip Mayo, the director of legal services—has played a vital role in developing the original "very simple" idea, Mr Thompson insists.

The manner in which this radical yet commonsense idea

Peter Thompson

"The idea came at a management cooking party"

grew to reality and eventual acceptance by the Government in a blaze of congratulations in Parliament from Mr David Howell, the Transport Secretary says a great deal about Peter Thompson.

The idea was launched, or rather slipped out, at one of National Freight's unique management cooking parties in wildest mid-Wales. Management cooking parties? Yes, management cooking parties.

Peter Thompson, a former transport manager at Bird's Eye, the Unilever foods company, does a rare mixed grill for breakfast, for himself and his 11 management colleagues, twice a year, away from wives, home and the office. They get together for a weekend at a cottage near Aberdovey, ostensibly for two golf tournaments.

Each senior manager brings his own speciality food. Ron Fortune, the managing director of North Eastern British Road Services, brings a huge salmon. Steve Able, his opposite number at Midlands BRS, prepares it, and Brian Hayward, the group managing director of National Carriers cooks and serves it. Jack Mather, the managing director of NFC's special traffics group which includes Pickfords Heavy Haulage, is a sauce chef. He makes a mustard and mayonnaise sauce.

It was at one of these weekends of golf, food and good company in May that the National Freight team came to thinking seriously about Peter Thompson's idea to buy the company from the Government.

Many of his Board meetings and briefing sessions with senior management resound to guffaws of laughter amid deeply serious debates about contract hire of lorries, the effects of the recession on transport, and how NFC can take over more transport operations for manufacturing industry.

Laughter and amiability are hallmarks of the style of management at NFC
.kennow is the time for algoodd

The staff and management of NFC could be in the business of owning and running their own company on January 14, Peter Thompson's target date. But before this and before NFC adopts the name National Freight Consortium, two problems remain. First, the favoured scheme for the buy-out, to give the consortium 82.5 per cent of the equity for contributing only £3.5m towards the £53.5m purchase of the company depends on the Companies Bill becoming law this year. Second, the buy-out does nothing to ease the difficulties of the road freight sector in its worst ever recession.

U.S. Steel to file seven EEC dumping charges

BY IAN HARGREAVES IN PITTSBURGH

U.S. STEEL, the largest American steelmaker, will file dumping charges against seven EEC steel-producing countries next month.

Mr David Roderick, chairman of U.S. Steel, said yesterday there was no political move he could envisage which could now forestall the legal action.

"The time for patience is past," he said. "We will be taking our action some time in November."

Mr Roderick said that U.S. steel producers had agreed to accept political solutions to the steel trade problem twice in the past four years only to see those agreements crumble in the face of renewed surges of imports. He now believed that the only option was to go ahead with legal action, even though that would take about eight months.

Filing charges, probably in Washington courts, U.S. Steel will seek the introduction of tariffs in proven dumping cases and countervailing duties where subsidies have been paid.

Mr Roderick said the company was considering acting against 14 countries, including all seven EEC steel producers. He would not name the other possible targets, although he said Japan would probably not be an immediate targets because imports to the U.S. from that country declined by 7 per cent in the first eight months of this year.

He made a scathing attack on the European producers and their governments which, he said, had helped negotiate the trigger price mechanism for restricting the volume and price of imports only to "massively abuse it" when it suited them.

In August imports took 25 per cent of the U.S. market and the September figures due out next week are expected to show a similar level of penetration.

Mr Roderick said his plans would not be affected by any decision of the Commerce Department to launch its own dumping suits, which it will be entitled to do after November 18 at the end of a three-month preliminary check on a small range of products from a number of countries, including Britain.

U.S. Steel, he said, would be happy for the two sets of suits to run simultaneously. The government suits alone would be inadequate because of the lack of documentation collected by the Commerce Department compared with the truckloads of paper which U.S. Steel has assembled on the dumping issue over the last four years.

The company will not, however, insist on filing its suit next Wednesday, October 28, as he had hinted he might do last week in Toronto.

The Commerce Department has told U.S. Steel that under the procedures for vetting imports, no suit could be filed before November 18.

Mr Roderick said he will be talking to government officials to try to reconcile this difference of view on dates.

Joint Rolls-Royce and Japanese aero-engine launch delayed

BY CHARLES SMITH IN TOKYO AND MICHAEL DONNE IN LONDON

ROLLS-ROYCE and three Japanese aircraft manufacturers have put off for one year a decision to launch a joint aero-engine development project which had been scheduled for this year, Japanese officials said yesterday.

The delay was agreed at a board meeting in Tokyo on Thursday of the joint venture company, Rolls-Royce and Japanese Aero-Engines, and follows poor market prospects for aircraft using the projected engines, they said.

The three Japanese companies are Ishikawajima-Harima Heavy Industries, Mitsubishi Heavy Industries, and Kawasaki Heavy Industries.

Development work on the £500m RJ-500 jet engine is to continue for a further year delaying the "full launch" of commercial manufacture of the engine until late-1982.

The decision to extend development work on the engine was taken in the light of delays by airframe manufacturers in the launching of a new generation of 150-seater short-haul airliners.

Airbus Industrie, and a joint venture consisting of the Dutch Fokker group and McDonnell Douglas of the U.S. are regarded as the two most likely users of the RJ-500.

They are now expected to take decisions on their air frames early in 1982, allowing for work on the RJ-500 to get properly under way before the end of the year.

The RJ-500 development contract, signed at the end of 1979, has been extended twice. The Rolls-Royce Japanese partnership is at the moment building a test engine and conducting detailed design work.

The decision to delay comes as no surprise. During recent months, it has become increasingly clear that while there may well be a substantial longer-term market for a new 150-seater airliner there is no prospect of any airline purchase decisions at present.

The airlines are fighting for survival in difficult market conditions of poor traffic and soaring costs. Even the bigger U.S. airlines, which had shown interest a year ago in a 150-seater, have turned lukewarm. Internationally, interest in such a venture is also at a low ebb.

The effect of the Rolls-Royce Japanese Aero-Engines decision is certain to be a further dampening of manufacturers' prospects for building an airframe.

As a result, the Airbus Industrie A-330, the McDonnell Douglas-Fokker MDF-100 and the Boeing "7 Dash 7," will all now probably not become available until 1987-88, if then.

Bonn shows strong trade surplus

BY STEWART FLEMING IN FRANKFURT

THE WEST GERMAN trade account moved back into strong surplus in September, sharply reducing the record current account deficit reported for August.

The Bundesbank, the West German Central Bank, said yesterday that the overall current account deficit for September was DM 2.2bn, which compares with a deficit of DM 6.4bn in August and DM 3bn in July.

The trade account which showed a deficit of DM 55m in August, provided the main explanation for the improvement in the current account.

In September West Germany moved back into substantial surplus on its international trade. Exports rose by 17 per cent over the August level to DM 34.4bn, while imports were only 11 per cent higher at DM 30.9bn giving a trade surplus of DM 3.5bn.

The September trade surplus is double the surplus of DM 1.6bn reported in the same month of 1980. For the first nine months of the year the surplus on trade is DM 13.4bn, compared with DM 5.88bn in the same period of 1980.

The improvement in the trade figures is largely a reflection of seasonal factors. The Bundesbank has previously said the poor August trade and current account figures reflected the German holiday period.

Commenting on yesterday's announcement, it said seasonally adjusted exports in September were 2 per cent higher than in August and imports 2½ per cent lower.

Among the factors which have accounted for the improvement in the current account this year are strong export growth and a reduction in the growth of imports.

With the holiday period over, when Germans spend very heavily overseas, there are hopes that the current account will strengthen further. In the first nine months of the year the overall current account deficit is DM 26.75bn, slightly up from the DM 25bn over the same period of 1980.

Last week Dr Helmut Schlesinger, the Central Bank vice-president forecast that the current account deficit for the year could be as low as DM 25bn. This implies that the trade surplus in the next three months will be big enough to offset the traditional deficit on services and transfer accounts.

AEG wins more cheap credit support

BY KEVIN DONE IN FRANKFURT

AEG-Telefunken, the ailing West German electrical and electronics group, has won further support from its 25-strong banking consortium to carry it through the next two years.

The final shape of the package is to be agreed by next Friday, but it will probably centre around the banks' agreeing to continue their cheap credits to AEG until the end of 1983, with an interest rate set at 2 per cent below the market rate.

With debts worldwide of more than DM 5bn (£1.21bn), AEG is having to meet interest payments this year of around DM 650m.

The company said yesterday that the banks intended to make "a further substantial contribution" to continuing restructuring measures. The bank support would be for the years 1981-83 and would include an extension of the cheap loans and maintenance of the company's current credit lines.

The cheap loans are understood to have a volume of around DM 2bn of AEG's total domestic debt of some DM 3.8bn.

The banks have had little choice but to grant further financial aid to AEG. They now own about half of the equity. The company will hold talks with another 15 banks next week.

AEG hopes to take its biggest step so far towards recovery with the expected co-operation agreement with Robert Bosch, Mannesmann and Telefonbau und Normalzeit in the field of telecommunications.

Howe meets councils over pay

BY ROBIN PAULEY

THE CHANCELLOR, Sir Geoffrey Howe, led a hastily rearranged meeting with local authority leaders and pay negotiators yesterday to try to win support for the Treasury view of public sector pay levels and public expenditure levels for next year.

Sir Keith Joseph, Education Secretary, and Mr Michael Heseltine, Environment Secretary, also attended the meeting.

Mr Heseltine had been due to met the the chairmen of some of the local authority pay negotiating bodies. Yesterday this was changed to include leaders of local authority associations and Sir Geoffrey and Sir Keith.

At the same time a meeting of the Consultative Council on Local Government Finance scheduled for November 5 was cancelled without reason and next week's meeting of the Officers' Steering Group—local authority officers and civil servants—was also dropped.

There is also a growing feeling that the rate support grant settlement, usually announced in November, will be delayed, perhaps until January.

The main reason appears to be that little further work on next year's level of expenditure and grant for local authorities can continue until the Cabinet has agreed a position on the acceptable level of public expenditure.

After Tuesday's inconclusive Cabinet discussion on the subject, Treasury Ministers are consulting again with spending ministers about the minimum increase in spending they would realistically require.

Mr Heseltine is known to be sceptical about whether even the extra 1 per cent cut in council current expenditure foreshadowed in this year's public expenditure white paper, can be achieved next year. Sir Keith, on the other hand, was among supporters of the Treasury Ministers who argued that as much as possible of the planned excess spending next year should be cut.

Inflation rate in U.S. rises to 13.5%

By David Buchan in Washington

INFLATION IN the U.S. rose again last month as consumer prices increased by 1.2 per cent.

Between July and September inflation ran at an annual rate of 13.5 per cent—a reversal of the slackening trend in the first half of this year.

Evidence of revived inflation is a blow to the Administration, which counted on better cost-of-living news to help reduce interest rates and, in turn, stimulate recovery next year.

Yesterday's figures, after rises in the consumer price index of 0.8 per cent in August and 1.2 per cent in July, may increase concern in financial markets.

A mild recession might be necessary "right now" to reduce interest rates and inflation, Mr Malcolm Baldrige, Commerce Secretary, said this week.

There are other signs the economy may be suffering from stagflation.

Real gross national product was reported this week to have declined at an annual rate of 0.6 per cent in July-September; unemployment hit 7.5 per cent in September; and inflation, measured broadly by the "implicit" GNP price deflator, rose 9.4 per cent in the third quarter, from 6.4 per cent the previous quarter, it was reported this week.

Accelerating inflation would undermine the Administration's argument that enough progress had been made for the Federal Reserve Board to ease its brake on growth in the supply of credit and money. The White House sees lower interest rates as vital to avoid Republicans being routed in next year's congressional elections.

The latest inflation news comes in a week in which Republican leaders said Congress was most unlikely to make spending cuts and tax increases, in order to keep the 1981-82 Budget deficit to Mr Reagan's goal of $43bn.

Prominent members of Mr Reagan's own party believe his goal of balancing the Budget by 1984 is probably no longer possible and that the recession's impact could double the 1981-82 Budget deficit.

Higher prices for housing, food and transportation accounted for most of last month's climb in retail consumer prices, the Labor Department said. The major factor in housing costs was again the sharp increase in mortgage rates, in line with other interst rates.

Weather

UK WEATHER

CLOUD and rain in all areas except S.E. England. Rather cold.

London, S.E. England, E. Anglia, Channel Is.
Cloudy, occasional rain, rather cold. Max 12C (54F)

SW, E, NE, NW England, W Midlands, Wales, Borders
Cloudy with rain. Max 11C (52F)

S Scotland
Rain at times. Max 10C (50F)

N Scotland, N Ireland, Orkney, Shetland
Brightening during morning. Max 10C (50F)

Outlook: Changeable, becoming colder.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	16	61	London	F	9	48
Algiers	C	17	63	L. Angt	Fg	14	57
Amsdm.	S	10	50	Luxmbg.	C	4	39
Athens	F	25	77	Luxor	C	35	95
Bahrain	S	30	86	Madrid	S	14	57
Barclna.	S	16	61	Majorca	S	19	66
Beirut	S	26	79	Malaga	F	20	68
Belfast	R	8	46	Malta	F	27	81
Belgrd.	F	18	64	M'chstr	C	6	43
Berlin	C	8	46	Melbne.	F	15	59
Biarritz	F	14	57	Mx. C.†		—	—
Bmghm.	C	8	46	Miami†	F	24	75
Blackpl.	C	10	50	Milan	S	12	54
Bordx.	S	13	55	Montrl.†	R	3	37
Boulgn.	F	9	48	Moscow	S	11	52
Bristol	F	10	50	Munich	S	7	45
Brussels	F	7	45	Nairobi	F	25	77
Budpst.	F	10	50	Naples	R	14	57
Cairo	S	29	84	Nwcstl.	C	7	45
Cardiff	R	9	48	N York†	C	17	63
Cas'bca	C	23	73	Nice	S	17	63
Cape T.	F	18	64	Nicosia	S	27	81
Chicg.†	F	−3	27	Oporto	S	16	61
Cologne	C	8	46	Oslo	S	4	39
Conhgn.	C	7	45	Paris	C	10	50
Corfu	F	23	73	Perth	S	27	81
Denver†	F	−2	28	Prague	C	6	43
Dublin	R	9	48	Rykjvk.	C	4	39
Dbrvnk.	C	18	64	Rhodes	S	24	75
Ednbgh.	R	7	45	Rio J'o†		—	—
Faro	F	21	70	Rome	C	17	63
Florence	F	16	61	Salzbrg.	S	6	43
Frankft.	C	7	45	S'cisco†	F	7	45
Geneva	F	7	45	S'tiago†		—	—
Gibrltr.	C	20	68	Stckhlm	C	3	37
Gl'sg'w	R	7	45	Strasbg.	R	6	43
G'rnsey	C	10	50	Sydney	F	16	61
Helsinki	R	4	39	Tangier	S	25	77
H. Kong	C	16	61	Tel Aviv	S	26	79
Innsbrk.	S	6	43	Tenerife	C	22	72
Invrnss.	C	10	50	Tokyo	F	20	68
I.o.Man	C	10	50	T'r'nto†	F	0	32
Istanbul	S	22	72	Tunis	F	26	79
Jersey	C	11	52	Valencia	S	18	64
Jo'burg	F	23	73	Venice	S	13	55
L. Plms.	S	25	77	Vienna	S	10	50
Lisbon	S	18	64	Warsaw	C	6	43
Locarno	S	12	54	Zurich	C	6	43

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

Pressures on the money market

The FT 30-Share Index has shown a net fall on the week of less than two points, but in the last two days it has come down by 14.6 points as nervousness has returned to the money markets. So the recovery at the beginning of the week, which provided a firmish background for the Cable and Wireless underwriting, has been dissipated, and at one point early yesterday equities were only slightly above the lows reached in late September. The subsequent rally, which was mirrored in the gilt-edged market, seemed to owe more to bear closing than to genuine investment interest.

Fund managers are holding cash back for the Cable and Wireless offer for sale and for the call on the partly-paid BP rights issue, and Stock Exchange equity turnover has *sunk below £100m a day.*

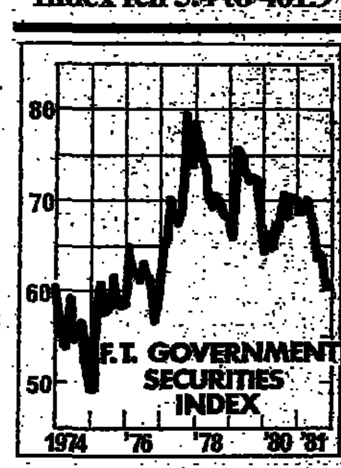
A yield on the All-Share Index of slightly above 6½ per cent *historic*—and maybe 7 per cent prospective—looks attractive by historical standards, but it is a very different matter when measured against yields of 16¾ per cent available on gilt-edged. In the short money markets, the pressure is still upwards, despite the Bank of England's unruffled supply of help at little more than 15 per cent. Three-month interbank sterling hardened another ⅛ point yesterday to around 16¾ per cent, while Treasury bill discount rate has pushed up to just below 16 per cent, 0.6 points above the previous week's tender.

At last night's money market levels the clearing banks can just about live with their base rates at 15½ per cent; besides, having fallen over themselves 10 days ago to cut the rate half a point they would look pretty foolish if they had to move them up again in the absence of a clear lead from the authorities. As long as sterling holds steady, the holding pattern may be maintained, but as long as higher rates remain on the cards the gilt-edged and equity markets can only mark time.

Oil sector

The oil sector has been picking up in recent weeks, albeit from a depressed base and only in relative terms. Since mid-September—before the market shakeout—the oil index has outperformed the All-Share by 11½ per cent and the absolute decline over the period has narrowed to 3 per cent. One obvious source of encouragement has

Index fell 5.4 to 461.9



been the growing belief that the Saudis will achieve their aim of reunifying Opec oil prices next week in Geneva, and then cut production to create a tighter oil market.

In fact the underlying balance between supply and demand is already looking much less lopsided. Influenced by high interest rates, the oil industry has run down stocks from perhaps 130 days supply half a year ago to about 110 days now. For the first time since February the spot market is at a premium to contract prices. This firmer tone should be maintained next year, when there is a prospect of some inventory rebuilding as well as a small increase in final consumer demand.

The benefits may take some time to come through. Furthermore, there is a question-mark over whether price unification at the expected $34 a barrel will actually allow North Sea prices to move up from the present $35 to $36½, in line with the normal differential. This may depend on Nigeria, which is now offering its oil at an effective discount of $1½ below the present Saudi reference price of $32.

At any rate, it looks as if downstream operations are set to improve their profitability. Companies like BP and Shell will also benefit from the ending of cheaper Saudi oil obtained by the Aramco companies—an advantage that has already eroded significantly in recent months. Ironically, however, the improvement may be more real than apparent. Until recently the strength of the dollar has produced stock appreciation profits in spite of falling crude prices. From September, however, with a steadier dollar there have been quite sizable stock losses.

For exploration stocks, the hope is that the Treasury may accept the industry's proposed tax changes. These would tend to favour the bigger companies, failing to do much to relieve the cash requirements of the smaller independents, and a series of rights issues by the independents is perfectly possible next year.

Meanwhile the prospect of a £1bn flotation of half of BNOC is likely to loom increasingly large as 1982 progresses. The timing is awkward too—just at that stage in the electoral cycle when investors may be looking hard at the attractions of foreign energy stocks.

The underlying improvement now in progress will still leave profits of integrated companies well below the levels of 1980. Fund managers seem to have begun rebuilding their weightings in the oil sector, but the market is likely to become more selective than in the past.

Clive Discount

On days such as yesterday, when the Bank of England is providing inexpensive finance, life in the discount market is not all that bad. But the last six months have been ghastly, and yesterday Clive Discount became the third house this week to report a loss.

Clive has had a troubled time in the last couple of years, cutting its dividend in 1980 after serious losses, recapitalising itself with a rights issue, returning to a modest level of profit and now, back in loss, passing its dividend again. Since the point of the rights issue was to allow Clive to run a larger book and thus have more chance of rebuilding its reserves, there would be little point now in making a distribution to shareholders.

The six-month losses are said not to be large; in line with discount house tradition, the only figures on Clive's announcement are the date and the company's telephone number. The company has had to write down the value of its fixed interest assets, even though many of the book losses will not be realised as bills are held to maturity, and indeed where they are financed with fixed money there may be a running profit. But if things get much worse the pressure to merge with a stronger house will build up. That would be most unlikely to involve the payment of any premium for the shares, which yesterday fell 4p to 26p, giving a market capitalisation of £5.6m, which is probably not too far short of real net worth.

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